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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

COST STUDY CHECKLIST

COMPANY Bridgewater-Canistota Telephone Company

YEAR 1997

- 1 SDPUC cost study & disk
- 2 SDPUC rate development spreadsheet
- 3 Financial statement from accountant
- 4 Trial balance from accountant
- 5 Account adjustment & average spreadsheet
- 6 Capital investment support (average)
- 7 Expense adjustment support (6620)
- 8 Minutes of use factors
- 9 Loops worksheet
- 10 Circuit terminations and miles
- 11 Misc. factor support

Bridgeport-Canada Telephone Company

| ***** FCC PART 69 ***** Intrastate Toll | | Part 36 Total | | Revenue Requirement Summary | | Common Line | | Local Switching | | Information | | Common Transport | | Billing and Collection | | Other | | |
|--|-------------------------------|------------------|------------|-----------------------------|------------|-------------|------------|-----------------|------------|-------------|------------|------------------|------------|------------------------|------------|------------|------------|------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | |
| INTRALATA | | | | | | | | | | | | | | | | | | |
| 15 | Net Investment | \$351,199 | J13 | \$196,810 | \$0 | \$0 | \$0 | \$0 | \$152,315 | 10.00% | 10.00% | \$0 | \$0 | \$12,274 | 10.00% | 10.00% | O.K. | |
| 16 | Rate of Return | 10.00% | | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | O.K. |
| 17 | Return on Rate Base | \$35,119 | | \$18,861 | \$0 | \$0 | \$0 | \$0 | \$18,232 | 0 | 0 | \$0 | \$0 | \$1,227 | 0 | 0 | O.K. | |
| 18 | Return Adjustments | \$35,120 | J18-20 | \$18,861 | \$0 | \$0 | \$0 | \$0 | \$18,232 | 0 | 0 | \$0 | \$0 | \$1,227 | 0 | 0 | O.K. | |
| 19 | Net Return on Rate Base | \$35,120 | | \$18,861 | \$0 | \$0 | \$0 | \$0 | \$18,232 | 0 | 0 | \$0 | \$0 | \$1,227 | 0 | 0 | O.K. | |
| 20 | Income Taxes | (719) | J31-32 | (60,821) | (282) | 0 | 0 | 0 | (312) | 0 | 0 | (25) | 0 | 0 | 0 | 0 | O.K. | |
| 21 | Expenses and Other Taxes | 183,579 | J33-35, 40 | 80,821 | 0 | 1,125 | 75,548 | 0 | 75,548 | 0 | 0 | 21,116 | 0 | 5,871 | 0 | 0 | O.K. | |
| 22 | Total IntralATA Rev. Req. | \$187,881 | | \$18,860 | \$0 | \$1,125 | \$89,987 | \$21,116 | \$89,987 | \$21,116 | \$0 | \$46 | \$0 | \$6,871 | \$0 | \$0 | O.K. | |
| 23 | | | | | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | | | |
| 28 | INTRALATA | | | | | | | | | | | | | | | | | |
| 29 | Net Investment | \$1,509 | P13 | \$842 | \$0 | \$0 | \$0 | \$0 | \$667 | 10.00% | 10.00% | \$0 | \$0 | 10.00% | 10.00% | 10.00% | O.K. | |
| 30 | Rate of Return | 10.00% | | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | O.K. |
| 31 | Return on Rate Base | \$151 | | \$84 | \$0 | \$0 | \$0 | \$0 | \$67 | 0 | 0 | \$0 | \$0 | 0 | 0 | 0 | O.K. | |
| 32 | Return Adjustments | \$151 | P18-20 | \$84 | \$0 | \$0 | \$0 | \$0 | \$67 | 0 | 0 | \$0 | \$0 | 0 | 0 | 0 | O.K. | |
| 33 | Net Return on Rate Base | \$151 | | \$84 | \$0 | \$0 | \$0 | \$0 | \$67 | 0 | 0 | \$0 | \$0 | 0 | 0 | 0 | O.K. | |
| 34 | Income Taxes | (92) | (3) | 242 | (7) | 0 | 0 | 0 | (1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 35 | Expenses and Other Taxes | 982 | P33-35, 40 | 242 | 0 | 4 | 290 | 0 | 290 | 0 | 4 | 46 | 0 | 0 | 0 | 0 | O.K. | |
| 36 | Total IntralATA Rev. Req. | \$170 | | \$324 | \$0 | \$4 | \$355 | \$46 | \$355 | \$46 | \$0 | \$46 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 37 | | | | | | | | | | | | | | | | | | |
| 38 | | | | | | | | | | | | | | | | | | |
| 39 | | | | | | | | | | | | | | | | | | |
| 40 | | | | | | | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | | | | | | | | | | | | | | | | |
| 43 | | | | | | | | | | | | | | | | | | |
| 44 | TOTAL INTRASTATE REV. REQ. | \$198,710 | | \$19,725 | \$0 | \$1,129 | \$90,323 | \$21,162 | \$90,323 | \$21,162 | \$0 | \$46 | \$0 | \$6,871 | \$0 | \$0 | O.K. | |
| 45 | | | | | | | | | | | | | | | | | | |
| 46 | ACCESS ELEMENT MINUTES OF USE | \$0.96721 | | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | 1,955,096 | |
| 47 | ACCESS RATE PER MINUTE | | | \$0.046522 | \$0.000000 | \$0.000000 | \$0.046199 | \$0.011111 | \$0.046199 | \$0.011111 | \$0.000000 | \$0.011111 | \$0.000000 | \$0.011111 | \$0.000000 | \$0.000000 | \$0.011111 | |

| | ***** FCC PART 64 ***** Revenue Requirement Summary | | ***** Private Line | | | | | | |
|----|--|-------------------|-----------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| | TOTAL COMPANY | Special Allowance | Incentive and Other | Message Telephone Service | Message Telephone Service | Message Telephone Service | Message Telephone Service | Message Telephone Service | Message Telephone Service |
| 13 | Start Income Tax Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 14 | Federal Income Tax Rate | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% |
| 15 | Gross Receipts Tax Rate | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| 16 | | | | | | | | | |
| 17 | Net Investment | \$1,561,113 | 0% | \$1,208,409 | \$1,509 | \$340,929 | \$0 | \$10,274 | \$342,708 |
| 18 | Rate of Return | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 19 | Return on Rate Base | \$156,111 | | \$120,841 | \$151 | \$34,092 | \$0 | \$1,027 | \$15,271 |
| 20 | AFUC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | ITC Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | Other Return Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 | Net Return | \$156,111 | | \$120,841 | \$151 | \$34,092 | \$0 | \$1,027 | \$15,271 |
| 24 | Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | Interest Expense | 174,926 | 0 | 155,564 | 0 | 38,038 | 0 | 1,154 | 39,360 |
| 26 | Capitalized Payroll Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27 | Depreciation-Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28 | Other Income Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29 | After Tax Income | (\$18,815) | | (\$14,723) | (\$18) | (\$1,945) | \$0 | (\$127) | (\$4,090) |
| 30 | State Income Taxes | 0 | Formula | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 31 | Federal Income Taxes | (3,320) | Formula | (2,598) | (3) | (836) | 0 | (22) | (722) |
| 32 | Operating Expenses and Taxes | 554,883 | 1196 | 397,475 | 559 | 153,787 | 0 | 3,092 | 157,408 |
| 33 | Incentives | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 34 | Other Revenue Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 | Net Revenue | \$192,024 | Formula | \$115,718 | \$796 | \$117,853 | \$0 | \$4,087 | \$191,857 |
| 36 | Revenue Taxes | 29,459 | Formula | 21,480 | 29 | 7,199 | 0 | 170 | 7,398 |
| 37 | Other Revenue Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 38 | TOTAL REVENUE REQUIREMENT | \$737,161 | | \$537,206 | \$736 | \$198,361 | \$0 | \$4,258 | \$199,355 |

INTRASTATE

| (A) | TOTAL COMPANY | Source Allocator | Message Telephone Service | | Private Line | | TOTAL INTRASTATE | | |
|-----|---------------|------------------|---------------------------|-----------|--------------|-----------|------------------|-----------|------|
| | | | InterLATA | IntraLATA | InterLATA | IntraLATA | | | |
| (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | | |
| 13 | \$241,122 | D33 | \$186,179 | \$290 | \$98,056 | \$0 | \$1,637 | \$57,943 | O.K. |
| 14 | \$0 | D43 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 15 | \$314,528 | D56 | \$14,128 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 16 | \$460,636 | D85 | \$319,485 | 619 | \$43,500 | 0 | 6,032 | \$50,151 | O.K. |
| 19 | \$714,764 | D64 | \$624,613 | \$619 | \$143,500 | \$0 | \$6,032 | \$150,151 | O.K. |
| 20 | \$387,777 | D137 | \$1,009,388 | 1,572 | \$48,480 | 0 | 8,338 | \$58,389 | O.K. |
| 21 | \$2,142,841 | | \$1,634,070 | \$2,191 | \$493,980 | \$0 | \$14,369 | \$508,541 | O.K. |
| 24 | \$0 | D173 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 26 | \$0 | D166 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 27 | \$0 | D209 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 28 | | | | | | | | | |
| 29 | | | | | | | | | |
| 30 | | | | | | | | | |
| 31 | | | | | | | | | |
| 32 | \$2,230,863 | | \$1,820,179 | \$2,441 | \$548,037 | \$0 | \$16,047 | \$666,484 | O.K. |
| 34 | \$0 | D214-215 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 35 | \$0 | D216-217 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 36 | \$5,948 | D218-219 | 27,414 | 37 | 8,214 | 0 | 241 | 8,332 | O.K. |
| 37 | | D220-221 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 38 | \$35,948 | | \$27,414 | \$37 | \$8,214 | \$0 | \$241 | \$8,532 | O.K. |
| 41 | | | | | | | | | |
| 42 | \$2,422,809 | | \$1,847,593 | \$2,477 | \$556,291 | \$0 | \$16,248 | \$675,018 | O.K. |

| (A) | TOTAL COMPANY | | Intrastate | | | | TOTAL INTRASTATE | | |
|--------------------------------|---------------|---------|-------------|---------|-----------|-----|------------------|-----------|------|
| | (B) | (C) | (D) | (E) | (F) | (G) | | (H) | (I) |
| 56 Other Assets, Net | 0 | V108 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 57 Accumulated Dep. (Account) | (818,725) | E24 | (858,894) | (996) | (222,756) | 0 | (8,120) | (29,861) | O.K. |
| 58 Accum. Dep. Inc. Taxes, Net | 0 | E47 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 59 Other Liab. & DW Cr., Net | 0 | V106 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 60 TOTAL NET PLANT | \$1,533,534 | | \$1,138,699 | \$1,481 | \$333,535 | \$0 | \$10,118 | \$345,135 | O.K. |
| 62 Mutual Fund Supplies | 2,466 | H11 | 1,842 | 0 | 626 | 0 | 0 | 15 | O.K. |
| 63 Other Mutual Funds | 44 | H12 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 64 Cash & Cash Equivalents | 24,783 | Formula | 17,864 | 25 | 6,754 | 0 | 140 | 6,919 | O.K. |
| 65 Cash Working Capital | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 66 Equal Access Investment | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 67 TOTAL NET INVESTMENT | \$1,561,113 | | \$1,208,426 | \$1,509 | \$340,825 | \$0 | \$10,274 | \$352,708 | O.K. |

INTRAWARE

| (A) | TOTAL COMPANY (B) | Source/ Allocat/ (C) | Individe and Other (D) | Message Telephone Service | | Private Line | | TOTAL INTRASTATE (I) |
|-------------------------------|-------------------------|----------------------------|------------------------------|---------------------------|------------------|------------------|------------------|----------------------------|
| | | | | IntraLATA (E) | InterLATA (F) | IntraLATA (G) | InterLATA (H) | |
| 111 CABLE AND WIRE FACILITIES | | | | | | | | |
| 112 CAT 1 IntraLATA PLUMATS | 7,632 | F31 | \$1,272 | \$0 | \$0 | \$0 | \$6,358 | O.K. |
| 114 CAT 1-2 InterLATA PLUMATS | 12,716 | F31 | 12,716 | 0 | 0 | 0 | 0 | O.K. |
| 115 CAT 1-2 Joint Message | 1,194,074 | G13 | 895,555 | 1,342 | 297,176 | 0 | 298,518 | O.K. |
| 117 Other CAT 1 C&W | 0 | V74 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 118 Total CAT 1 C&W | \$1,214,420 | | \$993,543 | \$1,342 | \$297,176 | \$0 | \$6,358 | \$304,877 |
| 119 CAT 2 C&W | \$0 | G28 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 121 CAT 2 C&W Weekend | 0 | V78 | 0 | 0 | 0 | 0 | 0 | 0 |
| 122 Total CAT 2 C&W | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 126 CAT 3 Joint Message | 146,370 | G17 | 84,837 | 229 | 51,304 | 0 | 0 | \$51,533 |
| 128 CAT 3 PLUMATS etc | 6,887 | F36 | 5,007 | 0 | 0 | 0 | 1,880 | 0 |
| 127 CAT 3 Direct | 0 | V79 | 0 | 0 | 0 | 0 | 0 | 0 |
| 129 Total CAT 3 C&W | \$153,337 | | \$89,844 | \$229 | \$51,304 | \$0 | \$0 | \$1,980 |
| 130 CAT 4 Message | \$0 | G29 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 132 CAT 4 WATS | 0 | V81 | 0 | 0 | 0 | 0 | 0 | 0 |
| 133 CAT 4 Direct | 0 | V82 | 0 | 0 | 0 | 0 | 0 | 0 |
| 134 Total CAT 4 C&W | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 136 TOTAL C&W | \$1,367,777 | | \$1,099,488 | \$1,572 | \$346,480 | \$0 | \$6,358 | \$368,389 |
| 138 | | | | | | | | |
| 140 CAPITAL LEASES | | | | | | | | |
| 141 Allocable Support Leases | \$0 | H14 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 143 Direct Support Leases | 0 | V84 | 0 | 0 | 0 | 0 | 0 | 0 |
| 144 Total Support Leases | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| | INTRASTATE | | | | | | | | | |
|----------------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|-----------|--------------|----------|------------|-----|----------------------------|
| | TOTAL COMPANY (B) | Country/ Allocator (C) | Instate and Other (D) | Message Telephone Service | | Private Line | | INTRASTATE | | TOTAL INTRASTATE (I) |
| | | | | INSTRATA | (F) | INSTRATA | (H) | INSTRATA | (J) | |
| (A) | | | (E) | (F) | (G) | (H) | (I) | (J) | (K) | |
| 160 COE Operator | \$0 | H18 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 161 COE Trunking Switch | 0 | H18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 162 COE Trunking | 0 | H18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 164 COE Transmission | 0 | V96 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 165 COE Direct | 0 | V98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 167 Total COE Leases | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 168 | | | | | | | | | | |
| 169 ROT Leases | \$0 | V90 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 171 CDMF Leases | \$0 | V91 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 172 | | | | | | | | | | |
| 173 TOTAL CAPITAL LEASES | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 174 | | | | | | | | | | |
| 175 | | | | | | | | | | |
| 176 LEASEHOLD IMPROVEMENTS | | | | | | | | | | |
| 178 Land and Support Assets | \$0 | H14 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 179 COE Switching | 0 | H18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 180 COE Operator | 0 | H18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 181 COE Trunking | 0 | V90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 182 ROT Transmission | 0 | V96 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 183 CDMF | 0 | V97 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 184 Other | 0 | V98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 186 TOTAL LEASEHOLD IMPROVEMENTS | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 187 | | | | | | | | | | |
| 189 TPS EXCL. ACCT. NO. 2696 | \$2,386,683 | | \$1,820,179 | \$2,441 | \$448,037 | \$0 | \$16,027 | \$566,484 | \$0 | O.K. |

INTERSTATE

| (A) | TOTAL COMPANY (B) | Source/ Account/ Company (C) | Message Telephone Service | | | Private Line | | | TOTAL INTRASTATE (I) |
|---|-------------------------|---------------------------------------|---------------------------|------------------|------------------|------------------|------------------|---------|----------------------------|
| | | | InterLATA (E) | InterLATA (F) | InterLATA (G) | InterLATA (H) | InterLATA (I) | | |
| 204 ***** FCC PART 36 Part Investment Detail | | | | | | | | | |
| 204 | \$0 | H36 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 206 | 0 | V100 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 207 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 208 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 210 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 211 | | | | | | | | | |
| 212 | | | | | | | | | |
| 213 | | | | | | | | | |
| 214 | \$0 | --- | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 215 | 0 | H36 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 216 | 0 | V124 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 217 | 0 | V124 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 218 | 35,946 | H35 | 27,614 | 37 | 8,254 | 0 | 241 | 6,532 | O.K. |
| 219 | 0 | V126 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 220 | 0 | V126 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 221 | 0 | V154 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 222 | 0 | V154 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 223 | \$15,946 | | \$17 | \$8,254 | \$0 | \$0 | \$241 | \$8,532 | O.K. |

Sheet T
 ENDING DECEMBER 31, 1992

22-Apr-98

03:57:30 PM

Brightstar-Carolina Telephone Company

Intrastate

***** FCC PAGE 36 *****
 Expenses and Deferrals

| | (A) | (B) | TOTAL COMPANY | Source Account | (C) | (D) | Message Telephone Service | | | Private Line | | | TOTAL INTRASTATE | |
|----|------------------------------|-----------|------------------|-------------------|-----------|-------|---------------------------|------------|------------|--------------|------------|------------|---------------------|-----|
| | | | | | | | Intrastate and Other | Intrastate | Intrastate | Intrastate | Intrastate | Intrastate | | (F) |
| 13 | ACCUM DEPRECIATION TNS | | | | | | | | | | | | | |
| 14 | Support Assets | \$47,332 | | H13 | \$35,998 | \$48 | \$10,860 | \$0 | \$317 | | | \$11,234 | O.K. | |
| 15 | COE Switching | 26,110 | | H14 | 26,110 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 16 | COE Operator | 0 | | H16 | 88,704 | 177 | 40,896 | 0 | 1,723 | | | 42,898 | O.K. | |
| 17 | COE Transmission | 131,622 | | H20 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 18 | COE Interconnection | 0 | | H21 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 19 | COE Equipment | 670,329 | | H22 | 484,900 | 77 | 170,880 | 0 | 4,090 | | | 175,744 | O.K. | |
| 20 | COE Other Plant | 0 | | H23 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 21 | Other Plant | 0 | | V135 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 22 | Total Accum. Depn. TNS | \$888,775 | | | \$658,894 | \$996 | \$227,756 | \$0 | \$6,129 | | | \$229,881 | O.K. | |
| 23 | ACCUM AMORTIZATION | | | | | | | | | | | | | |
| 24 | Accum. Depreciation (FDIU) | \$0 | | H38 | \$0 | \$0 | \$0 | \$0 | \$0 | | | \$0 | O.K. | |
| 25 | Accum. Amort. Tangle Intv. | 0 | | H40 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 26 | Accum. Amort. Tangle Inv. | 0 | | H41 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 27 | Accum. Amort. Other | 0 | | V138 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 28 | Total Accum. Amortization | \$0 | | | \$0 | \$0 | \$0 | \$0 | \$0 | | | \$0 | O.K. | |
| 29 | Total Accum. Depn. Amort. | \$888,775 | | | \$658,894 | \$996 | \$227,756 | \$0 | \$6,129 | | | \$229,881 | O.K. | |
| 30 | ACCUM DEF INC TAXES NET | | | | | | | | | | | | | |
| 31 | Support Assets | 0 | | H13 | \$0 | \$0 | \$0 | \$0 | \$0 | | | \$0 | O.K. | |
| 32 | COE Switching | 0 | | H19 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 33 | COE Operator | 0 | | H20 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 34 | COE Transmission | 0 | | H21 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 35 | COE Equipment | 0 | | H22 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 36 | COE Other Plant | 0 | | H23 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 37 | Callin and Wire Fac. | 0 | | H31 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 38 | Unclassified | 0 | | V143 | 0 | 0 | 0 | 0 | 0 | | | 0 | O.K. | |
| 39 | Total Accum. Def. Inc. Taxes | \$0 | | | \$0 | \$0 | \$0 | \$0 | \$0 | | | \$0 | O.K. | |

Bridgewater-Caledonia Telephone Company

Private Line

| | TOTAL COMPANY | | Intersite | | | | IntraSite | | | | Extended Area Service | Other |
|---|---------------|-----------|-------------|-----------|-----------|-----------|-----------|-----|-----|-----------|-----------------------|-----------|
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | | | |
| ***** FCC PART 36 ***** | | | | | | | | | | | | |
| Functional Distribution of Standard Investments | | | | | | | | | | | | |
| 13 TRUNK COT EQUIPMENT | | | | | | | | | | | | |
| 14 Working Loops | 655 | | 929 | 10 | 0 | 0 | 5 | | | | | 1 O.K. |
| 15 Avg. Cost per Loop | 117.49 | | 117.49 | 117.49 | 117.49 | 117.49 | 117.49 | | | 117.49 | | 117.49 |
| 16 CA 1 4 13 Exch. In Invest | | \$112,203 | | \$1,175 | \$0 | \$0 | \$587 | | | \$0 | | \$117 |
| 17 | | | | | | | | | | | | |
| 18 CA 1 4 23 Other IX | 128 | | 121 | 5 | 0 | 0 | 2 | | | 0 | | 0 O.K. |
| 19 Avg. Cost per Termination | 2,722.13 | | 2,722.13 | 2,722.13 | 2,722.13 | 2,722.13 | 2,722.13 | | | 2,722.13 | | 2,722.13 |
| 20 | | \$348,423 | | \$15,611 | \$0 | \$0 | \$5,444 | | | \$0 | | \$0 |
| 21 | | | | | | | | | | | | |
| 22 CAWF INVESTMENT | | | | | | | | | | | | |
| 23 Working Loops | 955 | | 919 | 10 | 0 | 0 | 5 | | | 0 | | 1 |
| 24 Avg. Cost per Loop | 1,000,000 | | 983,246 | 0,016,471 | 0,000,000 | 0,000,000 | 98,326 | | | 0,000,000 | | 0,001,547 |
| 25 CA 1 1 Exchange CAWF | \$1,714,420 | | \$1,194,074 | \$12,716 | \$0 | \$0 | \$6,355 | | | \$0 | | \$1,274 |
| 26 | | | | | | | | | | | | |
| 27 Equipment IX Circuit Mays | 1,317 | | 1,257 | 43 | 0 | 0 | 17 | | | 0 | | 0 |
| 28 Avg. Cost per Termination | 1,550,000 | | 1,463,370 | 0,032,020 | 0,000,000 | 0,000,000 | 0,172,928 | | | 0,000,000 | | 0,000,000 |
| 29 CA 1 3 Intra-site CAWF | \$103,357 | | \$46,370 | \$1,001 | \$0 | \$0 | \$1,980 | | | \$0 | | \$0 |

| | Insurance | | | | | | | | | | | |
|---------------------------------|---------------|------|------------------|-----------|------------------------|-----------|---------------------------|-----------|------------|-----------|-----------|------|
| | TOTAL COMPANY | | Source/Allocable | | Identifiable and Other | | Message Telephone Service | | Phase Life | | TOTAL | |
| | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | INTRASTATE | (J) | | |
| 13 Support Assets | 1,000,000 | D31 | 0,762,646 | 0,001,023 | 0,229,625 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,227,354 | O.K. |
| 14 Land and Support Assets | 1,000,000 | D33 | 0,762,646 | 0,001,023 | 0,229,625 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,227,354 | O.K. |
| 16 COE Operator | 0,000,000 | D43 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 17 COE Trunk Switching | 0,000,000 | D48 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 18 COE Terminal | 1,000,000 | D49 | 1,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 19 COE TDM Switching | 1,000,000 | D48 | 1,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 20 COE Transmission | 1,000,000 | D28 | 0,817,435 | 0,001,345 | 0,311,526 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,325,965 | O.K. |
| 21 Total COE | 1,000,000 | C19 | 0,801,917 | 0,001,799 | 0,182,118 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,193,803 | O.K. |
| 23 Int. Orig./Term. CAT 1 | 0,000,000 | D90 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 24 Int. Orig./Term. CAT 2 | 0,000,000 | D92 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 25 Total INT | 0,000,000 | D94 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 27 CAWV CAT 1 | 1,000,000 | D118 | 0,748,653 | 0,001,105 | 0,244,706 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,251,647 | O.K. |
| 28 CAWV CAT 2 | 0,000,000 | D120 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 29 CAWV CAT 3 | 0,000,000 | D119 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 30 CAWV CAT 4 | 0,000,000 | D125 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 31 Total CAWV | 1,000,000 | D137 | 0,737,317 | 0,001,149 | 0,244,778 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,252,023 | O.K. |
| 32 Total Equipment | 1,000,000 | C23 | 0,762,646 | 0,001,023 | 0,238,025 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,237,354 | O.K. |
| 35 TRIS | 1,000,000 | C32 | 0,826,646 | 0,001,023 | 0,229,625 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,227,354 | O.K. |
| 36 TRIS and Acct No 2050 | 1,000,000 | D189 | 0,762,646 | 0,001,023 | 0,229,625 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,227,354 | O.K. |
| 38 Pre Paid Fut. Use | 0,000,000 | D215 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 39 Pre Paid | 0,000,000 | C28 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 41 Total Intangible Assets | 0,000,000 | C29 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 42 Long Term PUC | 1,000,000 | C36 | 0,193,803 | 0,001,023 | 0,229,625 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,227,354 | O.K. |
| 43 Long Term Investment | 1,000,000 | C48 | 0,774,657 | 0,000,967 | 0,218,356 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,225,933 | O.K. |
| 44 Total Int Investment | 1,000,000 | C48 | 0,774,657 | 0,000,967 | 0,218,356 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,225,933 | O.K. |
| 46 Capital Leases | 0,000,000 | D173 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | O.K. |
| 47 Tot. Bus. Obj. Cost Serv. | 1,000,000 | I141 | 0,545,074 | 0,001,631 | 0,445,096 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,450,726 | O.K. |
| 50 Total BIG THREE Expenses | 1,000,000 | I170 | 0,733,193 | 0,001,078 | 0,250,205 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,246,827 | O.K. |
| 51 Corporate Operations Expense | 1,000,000 | I185 | 0,817,609 | 0,000,992 | 0,320,368 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,000,000 | 0,320,368 | O.K. |

| | (A) | TOTAL COMPANY (B) | Source/ Allocator (C) | Internet and Other (D) | | Message Telephone Service (E) | | Private Line (F) | | TOTAL INTRASTATE (I) |
|------------------------------|-----|-------------------------|-----------------------------|------------------------------|-------|----------------------------------|-----|---------------------|-------|----------------------------|
| | | | | (D) | (E) | (F) | (G) | (H) | | |
| 13 PLANT SPEC OPER EXPENSE | | | | | | | | | | |
| 14 Network Support Alloc | | \$0 | H14 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 15 Network Support Direct | | 0 | V149 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 17 Total Network Support Exp | | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 20 General Support Alloc | | \$6,492 | H14 | \$4,951 | \$7 | \$1,491 | \$0 | \$44 | \$44 | \$1,541 O.K. |
| 21 General Support Direct | | 0 | V151 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 23 Total General Support Exp | | \$6,492 | | \$4,951 | \$7 | \$1,491 | \$0 | \$44 | \$44 | \$1,541 O.K. |
| 24 Central Office Eq. Alloc | | \$18,794 | H21 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,833 O.K. |
| 25 Central Office Eq. Direct | | 0 | V152 | 0 | 0 | \$14,224 | \$0 | \$0 | \$0 | 0 O.K. |
| 27 Total COE Exp | | \$18,794 | | \$0 | \$0 | \$14,224 | \$0 | \$0 | \$0 | \$18,833 O.K. |
| 29 Cust. Premises Equip | | \$0 | H24 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 O.K. |
| 31 Customer Pay Phone | | 0 | G18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 O.K. |
| 32 Other IOT | | 0 | H23 | 0 | 0 | 0 | 0 | 0 | 0 | 0 O.K. |
| 34 IOT Direct | | 0 | V157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 O.K. |
| 35 Total IOT Exp | | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 O.K. |
| 36 Cable & Wire Alloc | | \$51,088 | H31 | \$37,792 | \$56 | \$13,016 | \$0 | \$311 | \$311 | \$13,386 O.K. |
| 37 Cable & Wire Direct | | 0 | V159 | 0 | 0 | 0 | 0 | 0 | 0 | 0 O.K. |
| 39 Total C&W Exp | | \$51,088 | | \$37,792 | \$56 | \$13,016 | \$0 | \$311 | \$311 | \$13,386 O.K. |
| 41 Total CAMF Exp | | \$14,374 | | \$10,544 | \$127 | \$28,730 | \$0 | \$553 | \$553 | \$29,810 O.K. |
| 42 TOTAL PLT SPEC OPER EXP | | \$127,862 | | \$89,613 | \$120 | \$127,440 | \$0 | \$809 | \$809 | \$128,249 O.K. |

| | INCOME | | | | | | | | | |
|----------------------------------|-------------------------|----------------------------|--------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------|----------------------------|--|
| | TOTAL COMPANY (B) | SCHOOL ALLOCATOR (C) | INTERSTATE AND OTHER (D) | MESSAGE TELEPHONE SERVICE | | | PRIVATE LINE | | TOTAL INTRASTATE (H) | |
| | | | | INTRA- LATA (E) | INTRA- LATA (F) | INTRA- LATA (G) | INTRA- LATA (I) | | | |
| 156 Other Cust. Serv. Alloc. | \$100 | H43 | \$0 | \$45 | \$0 | \$0 | \$0 | \$45 | O K | |
| 157 Other Cust. Serv. Direct | 0 | V211 | 0 | 0 | 0 | 0 | 0 | 0 | O K | |
| 158 Total Other Cust. Serv. | \$100 | | \$0 | \$45 | \$0 | \$0 | \$0 | \$45 | O K | |
| 161 TOTAL CUSTOMER OPER. EXP | \$37,716 | | \$68 | \$18,000 | \$0 | \$0 | \$0 | \$18,068 | O K | |
| 162 | | | | | | | | | | |
| 163 'BIG-THREE' EXPENSES | | | | | | | | | | |
| 165 | | | | | | | | | | |
| 166 Total Pr. Spec. ex Support | \$127,882 | 44 | \$19,613 | \$120 | \$27,240 | \$0 | \$608 | \$28,269 | O K | |
| 167 Total Network Oper. Exp | 4,823 | 88 | 3,755 | 5 | 1,120 | 0 | 33 | 1,188 | O K | |
| 169 Total Customer Operations | 37,716 | 161 | 21,657 | 184 | 18,000 | 0 | 0 | 18,039 | O K | |
| 170 TOTAL 'BIG THREE' EXPENSES | \$170,521 | | \$125,025 | \$184 | \$44,370 | \$0 | \$942 | \$45,495 | O K | |
| 171 | | | | | | | | | | |
| 173 CORPORATE OPERATIONS EXPENSE | | | | | | | | | | |
| 174 Exec and Planning Alloc. | \$164,075 | H40 | \$142,264 | \$209 | \$50,499 | \$0 | \$1,072 | \$51,781 | O K | |
| 176 Exec and Planning Direct | 0 | V213 | 0 | 0 | 0 | 0 | 0 | 0 | O K | |
| 178 Total Exec and Planning | \$164,075 | | \$142,264 | \$209 | \$50,499 | \$0 | \$1,072 | \$51,781 | O K | |
| 180 Admin & General Allocable | \$35,014 | H00 | \$25,672 | \$18 | \$9,111 | \$0 | \$193 | \$34,242 | O K | |
| 181 Admin & General Direct | 22,032 | V211 | 1,311 | 0 | 20,841 | 0 | 0 | 20,841 | O K | |
| 182 Total Admin and Gen | \$57,046 | | \$26,983 | \$38 | \$29,952 | \$0 | \$193 | \$30,183 | O K | |
| 184 | | | | | | | | | | |
| 185 TOTAL CORPORATE OPERATIONS | \$251,121 | | \$189,157 | \$247 | \$80,451 | \$0 | \$1,266 | \$81,664 | O K | |
| 187 | | | | | | | | | | |
| 188 NON-INCOME TAXES | | | | | | | | | | |
| 189 Non-income Taxes Allocable | \$85 | H48 | \$65 | \$0 | \$20 | \$0 | \$1 | \$86 | O K | |
| 191 Non-income Taxes Direct | 0 | V233 | 0 | 0 | 0 | 0 | 0 | 0 | O K | |
| 192 Total Non-income Taxes | \$85 | | \$65 | \$0 | \$20 | \$0 | \$1 | \$86 | O K | |
| 193 | | | | | | | | | | |
| 194 | | | | | | | | | | |
| 196 TOTAL OPER. EXP. AND TAXES | \$554,883 | | \$397,475 | \$559 | \$153,787 | \$0 | \$3,082 | \$157,408 | O K | |

Bioplastic Canada Employee Company

| ***** FCC PART 69 ***** INFLUENCE REVENUE Requirement Summary | | Part 38 INFLUENCE REVENUE Total | | | | | | |
|---|-----------------|---------------------------------------|------------------|---------------------|---------------------------|----------|----------|------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| Source | Common Lease | Local Selling Lease | Mineral Lease | Common Copyright | Billing and Collection | Other | | |
| 13 Net Investment | \$35,138 | 452 | \$186,810 | \$0 | \$182,316 | \$0 | \$12,274 | O.K. |
| 14 Rate of Return | 10.00% | 0.19 | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | O.K. |
| 15 Return on Rate Base | \$35,120 | | \$18,661 | \$0 | \$15,232 | \$0 | \$1,227 | O.K. |
| 16 AFUDC | 0 | N37 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 17 TIC Amortization | 0 | N37 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 18 Other Return Adjustments | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. |
| 22 Net Return | \$35,120 | | \$18,661 | \$0 | \$15,232 | \$0 | \$1,227 | O.K. |
| 23 Interest Expense | 39,191 | N67 | 20,824 | 0 | 18,697 | 0 | 1,300 | O.K. |
| 24 Calculated Payroll Taxes | 0 | N37 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 25 Depreciation Adjustment | 0 | N37 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 26 Other Income Adjustments | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. |
| 29 After Tax Income | (\$4,072) | | (\$2,163) | \$0 | (\$1,766) | \$0 | (\$142) | O.K. |
| 30 State Income Taxes | \$0 | 39 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 31 Federal Income Taxes | (719) | 29 | (382) | 0 | (337) | 0 | (35) | O.K. |
| 33 Operating Expenses and Taxes | 155,619 | 0195 | \$7,443 | 0 | 1,680 | 71,427 | 9,394 | O.K. |
| 34 Uncollectibles | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 35 Other Revenue Adjustments | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. |
| 37 Rates for Gross Receipts Tax | 190,012 | 16-31+32-13 | 79,724 | 0 | 1,080 | 86,346 | 6,596 | O.K. |
| 40 Gross Receipts Tax | 7,869 | 37 | 3,116 | 0 | 45 | 3,421 | 277 | O.K. |
| 41 | | | | | | | | |
| 42 TOTAL REVENUE REQUIREMENT | \$157,961 | | \$78,800 | \$0 | \$1,125 | \$69,967 | \$21,116 | O.K. |
| 44 | | | | | | | \$6,873 | |

22-Apr-94

03:37:39 PM

Bridgewater-Carlisle Telephone Company

| Part 36 Intra-LATA Investment | | Source or Appropriation | | Common Line | Local Switching | Information | Common (Transport) | Billing and Collection | Other | |
|----------------------------------|-----------------------------|----------------------------|-----|----------------|--------------------|-------------|-----------------------|---------------------------|---------|------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | |
| LAND AND SUPPORT ASSETS | | | | | | | | | | |
| 13 | Land Assets Message | | | 182 | 0 | 0 | 1,111 | 0 | 95 | O.K. |
| 14 | Land Assets Private Line | | | 5 | 0 | 0 | 32 | 0 | 3 | O.K. |
| 15 | Total Land Assets | | | \$188 | \$0 | \$0 | \$1,144 | \$0 | \$98 | O.K. |
| 19 | Support Assets Message | | | \$1,716 | \$0 | \$0 | \$43,706 | \$0 | \$3,765 | O.K. |
| 20 | Support Assets Private Line | | | 210 | 0 | 0 | 1,277 | 0 | 110 | O.K. |
| 21 | Total Support Assets | | | \$1,926 | \$0 | \$0 | \$45,013 | \$0 | \$3,865 | O.K. |
| 22 | Total Land and Supp. Assets | | | \$1,734 | \$0 | \$0 | \$46,157 | \$0 | \$3,963 | O.K. |
| CENTRAL OFFICE EQUIPMENT | | | | | | | | | | |
| 26 | Operator Sys. DA | | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 29 | Operator Sys. Other | | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 30 | Total Operator Systems | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 33 | Tandem Switching | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 34 | Tandem Assigned | | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 35 | Total Tandem Switching | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 37 | Local Switching | | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 38 | Local Assigned | | | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 40 | Total Local Switching | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 41 | Total Local Switching | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 44 | Total Switching | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |

Part 36

Intra-LATA

Investment

Total

(B)

(C)

(D)

(E)

(F)

(G)

(H)

(I)

(J)

BellSouth-Cabletelco Telephone Company

| Part 36 INFLATA | | Source or Appropriation | | Common Line | | Local Switching | | Information | | Common Trunking | | Billing and Collection | | Other | |
|--------------------|-----------------------------|----------------------------|--------|----------------|-----|--------------------|-----|-------------|-----|--------------------|-----|---------------------------|-----|---------|------|
| (A) | | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) |
| 48 | COE Each Trunk | \$0 | Direct | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 49 | COE Each Line - Message | 27,457 | (D) | 27,457 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 50 | COE Each Line - PL, etc. | 827 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 587 | O.K. |
| 51 | COE Each Line - Assigned | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 52 | COE Each Line - Exchange | 116,044 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | 116,044 | 0 | 0 | 0 | 0 | O.K. |
| 53 | COE Interexchange PL | 5,444 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,444 | O.K. |
| 54 | COE Interexchange Assigned | 0 | (S) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 55 | COE Message | 0 | (S) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 56 | COE H40 | 0 | (S) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 57 | COE H40 Assigned | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 58 | Total COE Transmission | \$184,532 | | \$27,457 | \$0 | \$0 | \$0 | \$0 | \$0 | \$116,044 | \$0 | \$0 | \$0 | \$6,032 | O.K. |
| 59 | Total Central Office Equip | \$148,552 | | \$27,457 | \$0 | \$0 | \$0 | \$0 | \$0 | \$116,044 | \$0 | \$0 | \$0 | \$6,032 | O.K. |
| 71 | NOT EQUIPMENT | | | | | | | | | | | | | | |
| 72 | Public Telephone | \$0 | NA3 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 74 | Coinless Pay Phone | 0 | (D) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 75 | Customer Premises Equipment | 0 | NA5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 76 | Total COT Equipment | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 79 | CABLE AND WIRE FACILITIES | | | | | | | | | | | | | | |
| 81 | Cable PL and WATS | \$6,358 | (I) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,358 | O.K. |
| 82 | Exchange Message | 297,176 | (D) | 297,176 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 83 | Exchange Assigned | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 85 | Total Exchange Low CSWF | \$303,535 | | \$297,176 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,358 | O.K. |
| 86 | Exchange Trunk Message | \$0 | Direct | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 87 | Exchange Trunk PL | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 89 | Total Exchange Trunk CSWF | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 90 | Interexchange Message | \$51,304 | (G) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$51,304 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 93 | Interexchange PL - WATS | 1,980 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,980 | O.K. |
| 94 | Interexchange Assigned | 0 | (S) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 95 | Total Interexchange CSWF | \$53,284 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$51,304 | \$0 | \$0 | \$0 | \$1,980 | O.K. |

Brightstar-Canada Telephone Company

| | Part 36 INFLATA Investment | | Source or Appropriation (C) | Common Lease (D) | Local Switching (E) | Information (F) | Common Transport (G) | Billing and Collection (H) | Other (I) |
|-----------------------------------|-------------------------------|--------|-----------------------------------|------------------------|---------------------------|--------------------|----------------------------|----------------------------------|------------------|
| | (B) | (A) | | | | | | | |
| 111 HIR CAVI/ Message | \$0 | (2) | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 112 HIR CAVI/ WATS | 0 | (7) | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 113 HIR CAVI/ Assigned | 0 | Direct | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 115 Total Host/Remote CAVI/ | \$0 | | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 116 Total Cable and Wire Facil | \$356,819 | | | \$207,178 | \$0 | | \$51,304 | \$0 | \$0 \$3,338 O.K. |
| 119 TANGIBLE ASSETS | | | | | | | | | |
| 120 Land and Support Leases | \$0 | N28 | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 121 COE Operator Leases | \$0 | 32 | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 124 COE Trunking Switching Leases | 0 | 34 | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 125 COE Local Switching Leases | 0 | 35 | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 126 COE Transmission Leases | 0 | 68 | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 127 Total COE Leases | \$0 | | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 130 IOT Equipment Leases | \$0 | 78 | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 131 CAVI/ Leases | \$0 | 117 | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 132 Total Capital Leases | \$0 | | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 134 Total Leasehold Improv- Able | \$0 | | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 135 Leasehold Improv- Able | 0 | N27 | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 137 Leasehold Improv- Direct | 0 | Direct | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 139 Total Leasehold Improvements | \$0 | | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 141 Total Tangible Assets | \$0 | | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 142 TOTAL INTANGIBLE ASSETS | \$0 | | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 143 | \$0 | N27 | | \$0 | \$0 | | \$0 | \$0 | \$0 O.K. |
| 145 | \$0 | | | 0 | 0 | | 0 | 0 | 0 O.K. |
| 146 PROPERTY HELD FOR FUTURE USE | \$0 | N45 | | 0 | 0 | | 0 | 0 | 0 O.K. |

Brightwater-Canada Telephone Company

| Part 101 Intangibles | | Part 102 Tangible Assets | | Part 103 Liabilities | | Part 104 Equity | | Part 105 Other | |
|-------------------------------|----------------------------|-----------------------------|--------------------|-------------------------|---------------------|---------------------------|---------|-------------------|-----|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) |
| Reservists and Deferrals | Source or Appropriation | Common Line | Local Switching | Information | Common Transport | Billing and Collection | Other | | |
| 13 ACCUM DEPRECIATION, TRS | | | | | | | | | |
| 14 Support Assets | \$11,188 | N29 | \$0 | \$0 | \$5,949 | \$0 | \$196 | O.K. | |
| 15 COE Switching | 0 | L44 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 17 COE Operator | 0 | L32 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 18 COE Transmission | 42,721 | L18 | 0 | 0 | 33,153 | 0 | 1,723 | O.K. | |
| 19 COE Equipment | 174,976 | L17 | 0 | 0 | 145,731 | 0 | 29,245 | O.K. | |
| 20 Cable and Wire Facilities | 0 | N37 | 0 | 0 | 25,159 | 0 | 4,089 | O.K. | |
| 21 Other Part | 0 | | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 22 Total Accum. Depr. TRS | \$228,885 | | \$0 | \$0 | \$87,291 | \$0 | \$6,160 | O.K. | |
| 24 ACCUM AMORTIZATION | | | | | | | | | |
| 25 Accum Depreciation, RHFU | \$0 | N37 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 26 Accum Amort, Tangible Inv | 0 | N37* | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 28 Accum Amort, Intang. Inv | 0 | N37 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 29 Accum Amort, Other | 0 | N37 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 31 Total Accum. Amortization | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 32 Total Accum. Depr./Amort | \$228,885 | | \$0 | \$0 | \$87,291 | \$0 | \$6,160 | O.K. | |
| 35 ACCUM DEF INC TAXES, NET | | | | | | | | | |
| 36 Support Assets | \$0 | N28 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 37 COE Switching | 0 | L44 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 38 COE Operator | 0 | L32 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 40 COE Transmission | 0 | L18 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 42 COE Equipment | 0 | L17 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 43 OT Equipment | 0 | L79 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 44 Cable and Wire Fac | 0 | L17 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 45 Unallocated | 0 | N37 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 46 Total Accum. Def Inc Taxes | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |

Bidgewater-Carlotta Telephone Company

Part 36

InstalATA

Total

***** FCC PART 69 *****
Appropriation Factors

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|----|----------------------------|-------------|-----------------|-------------|------------------|------------------------|-----------|----------|----------|
| | Source | Common Line | Local Switching | Information | Common Transport | Billing and Connection | Other | | |
| 13 | Central Office Equipment | \$148,632 | L20 | \$27,457 | \$0 | \$0 | \$116,044 | \$0 | \$8,032 |
| 14 | Int'l. Orig./Term. Equip. | 0 | L78 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | CBAY Facilities | 356,818 | L117 | 297,176 | 0 | 0 | 51,304 | 0 | 8,338 |
| 17 | Total | \$506,350 | | \$324,633 | \$0 | \$0 | \$167,347 | \$0 | \$14,369 |
| 18 | Factor | 1,000000 | | 0.641144 | 0.000000 | 0.000000 | 0.250497 | 0.000000 | 0.028179 |
| 19 | Swch. Sw. Trans. Other | \$181,711 | 17 | \$0 | \$0 | \$0 | \$187,347 | \$0 | \$14,366 |
| 21 | Factor | 1,000000 | | 0.000000 | 0.000000 | 0.000000 | 0.270924 | 0.000000 | 0.079676 |
| 22 | Central Office Equipment | \$148,632 | L70 | \$27,457 | \$0 | \$0 | \$116,044 | \$0 | \$8,032 |
| 23 | Int'l. Orig./Term. Equip. | 0 | L10 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | CBAY Facilities | 59,641 | L117-83 | 0 | 0 | 0 | 51,304 | 0 | 8,338 |
| 26 | Total | \$208,273 | | \$27,457 | \$0 | \$0 | \$167,347 | \$0 | \$14,369 |
| 27 | Factor | 1,000000 | | 0.000000 | 0.000000 | 0.000000 | 0.800540 | 0.000000 | 0.099459 |
| 29 | General Support Facilities | \$57,684 | L25 | \$7,573 | \$0 | \$0 | \$46,157 | \$0 | \$3,963 |
| 31 | Int'l. Orig./Term. Equip. | 149,332 | 14 | 27,457 | 0 | 0 | 116,044 | 0 | 6,022 |
| 32 | Swch. Sw. Trans. Other | 0 | L10 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 | CBAY Facilities | 356,818 | 15 | 297,176 | 0 | 0 | 51,304 | 0 | 8,338 |
| 34 | Equal Access Investment | 0 | L177 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | Total | \$564,043 | | \$332,206 | \$0 | \$0 | \$213,504 | \$0 | \$18,333 |
| 37 | Factor | 1,000000 | | 0.588973 | 0.000000 | 0.000000 | 0.378525 | 0.000000 | 0.032503 |
| 38 | Swch. Com. Ln. Sw. Trans. | \$445,711 | 26 | \$332,206 | \$0 | \$0 | \$113,504 | \$0 | \$0 |
| 40 | Factor | 1,000000 | | 0.687519 | 0.000000 | 0.000000 | 0.397241 | 0.000000 | 0.000000 |
| 41 | OSF Cat. 3 Factor | 1,000000 | | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 42 | OT Cat. 1 Factor | 1,000000 | | 1,000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 44 | Total TPIS | \$564,043 | *26 | \$332,206 | \$0 | \$0 | \$213,504 | \$0 | \$18,333 |
| 46 | Factor | 1,000000 | | 0.588973 | 0.000000 | 0.000000 | 0.378525 | 0.000000 | 0.032503 |

Sheet 'N'
 ENDING DECEMBER 31, 1992

22-Apr-98

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Engleware Capitalis Telephone Company

| | Part 35 Initial AIA Type | | Source | Common Line | Local Switching | Information | Common Transport | Billing and Collection | Other | |
|----|--------------------------------|-----------|--------|----------------|--------------------|-------------|---------------------|---------------------------|----------|-----|
| | (A) | (B) | | | | | | | | (C) |
| 60 | Interstate Equip Factor | 0.000000 | Direct | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | O K |
| 61 | W/L Int View Seconds | 1.000000 | Direct | 1.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | O K |
| 62 | 1992 THREE-E Expenses | \$45,608 | O171 | \$44,769 | \$0 | \$337 | \$21,684 | \$2,709 | \$1,610 | O K |
| 64 | Factor | 1.000000 | | 0.323816 | 0.000000 | 0.008480 | 0.473241 | 0.169766 | 0.033308 | O K |
| 65 | Net Investment | \$351,199 | J13 | \$186,610 | \$0 | \$0 | \$182,315 | \$0 | \$12,274 | O K |
| 67 | Factor | 1.000000 | | 0.131381 | 0.000000 | 0.000000 | 0.423701 | 0.000000 | 0.034492 | O K |

(R)

Bridgewater-Carlisle Telephone Company

| PLANT IN INITIALS | ***** FCC PART 68 ***** Operating Expenses and Taxes | | ***** | | | | | | | |
|----------------------|---|----------|--------|----------|-----|-----|----------|-----|---------|------|
| | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | | |
| 13 | PLANT SPEC. OPER. EXPENSE | | | | | | | | | |
| 14 | Network Support Alloc. | \$0 | N27 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 15 | Network Support Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 17 | Total Network Support Exp | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 19 | General Support Alloc. | \$1,534 | N30 | \$201 | \$0 | \$0 | \$1,227 | \$0 | O.K. | |
| 21 | General Support Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 23 | Total General Support Exp | \$1,534 | | \$201 | \$0 | \$0 | \$1,227 | \$0 | O.K. | |
| 24 | Central Office Eq. Alloc. | \$14,821 | N31 | \$2,721 | \$0 | \$0 | \$11,502 | \$0 | O.K. | |
| 25 | Central Office Eq. Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 27 | Total COE Exp | \$14,821 | | \$2,721 | \$0 | \$0 | \$11,502 | \$0 | O.K. | |
| 29 | Cust. Premises Equip | \$0 | L76 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 31 | Other IOT | 0 | N43 | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 32 | IOT Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 34 | Total IOT Exp | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. | |
| 35 | Cable & Wire Alloc. | \$13,328 | N23 | \$11,100 | \$0 | \$0 | \$1,916 | \$0 | O.K. | |
| 36 | Cable & Wire Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. | |
| 38 | Total C&WF Exp | \$13,328 | | \$11,100 | \$0 | \$0 | \$1,916 | \$0 | O.K. | |
| 40 | TOTAL PLT SPEC. OPER. EXP | \$29,683 | | \$4,023 | \$0 | \$0 | \$14,646 | \$0 | \$1,019 | O.K. |
| 42 | TOTAL PLT SPEC. OPER. SUPPORT | \$28,149 | | \$3,821 | \$0 | \$0 | \$13,418 | \$0 | \$809 | O.K. |

Bridgewater Canada Telephone Company

Part 36

Information A

Operating Expenses and Taxes

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|----|-----------------------------|----------|-----------|-------------|-----------------|-------------|--------------------|------------------------|-------|
| | NON-SPECIFIC OPER EXP | Total | Apportion | Common Line | Local Switching | Information | Customer Transport | Billing and Collection | Other |
| 57 | NON-SPECIFIC OPER EXP | | | | | | | | |
| 58 | On Pk and Equip- Alloc. | \$0 | NIB | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 59 | On Pk and Equip- Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 | Total On Pk and Equip | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 61 | On Pk and Equip- Direct | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| 62 | Total On Pk and Equip | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 63 | Network Operations Alloc | \$1,163 | N19 | \$748 | \$0 | \$0 | \$385 | \$0 | \$33 |
| 64 | Network Operations Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 65 | Total Network Oper Exp | \$1,163 | | \$748 | \$0 | \$0 | \$385 | \$0 | \$33 |
| 66 | Total Network Oper Exp | \$1,163 | | \$748 | \$0 | \$0 | \$385 | \$0 | \$33 |
| 67 | Total Network Oper Exp | \$1,163 | | \$748 | \$0 | \$0 | \$385 | \$0 | \$33 |
| 68 | Total Network Oper Exp | \$1,163 | | \$748 | \$0 | \$0 | \$385 | \$0 | \$33 |
| 69 | Total Access Expenses | \$0 | Direct | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70 | Other Support Assets | \$1,679 | L23 | \$200 | \$0 | \$0 | \$1,244 | \$0 | \$115 |
| 71 | Other COE Switching | 0 | L44 | 0 | 0 | 0 | 0 | 0 | 0 |
| 72 | Other COE Operator | 0 | L32 | 0 | 0 | 0 | 0 | 0 | 0 |
| 73 | Other COE Operator | 9,486 | L58 | 1,742 | 0 | 0 | 7,262 | 0 | 383 |
| 74 | Other COE Transmission | 17,098 | L108 | 16,241 | 0 | 0 | 2,450 | 0 | 407 |
| 75 | Other CMTV Facilities | 0 | L117 | 16,241 | 0 | 0 | 0 | 0 | 0 |
| 76 | Other PHU | 0 | L147 | 0 | 0 | 0 | 0 | 0 | 0 |
| 77 | Other PHU | 0 | L147 | 0 | 0 | 0 | 0 | 0 | 0 |
| 78 | Total Depreciation Expense | \$29,265 | | \$16,203 | \$0 | \$0 | \$11,164 | \$0 | \$898 |
| 79 | Total Depreciation Expense | \$29,265 | | \$16,203 | \$0 | \$0 | \$11,164 | \$0 | \$898 |
| 80 | Total Depreciation Expense | \$29,265 | | \$16,203 | \$0 | \$0 | \$11,164 | \$0 | \$898 |
| 81 | Amort- Tangible Assets | \$0 | L141 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 82 | Amort- Intangible Assets | 0 | L142 | 0 | 0 | 0 | 0 | 0 | 0 |
| 83 | Other Amortization | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 84 | Direct Allocated Amort | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 85 | Total Amortization Exp | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 86 | Total Deprec. and Amort. | \$29,265 | | \$16,203 | \$0 | \$0 | \$11,164 | \$0 | \$898 |
| 87 | Total Deprec. and Amort. | \$29,265 | | \$16,203 | \$0 | \$0 | \$11,164 | \$0 | \$898 |
| 88 | Total Deprec. and Amort. | \$29,265 | | \$16,203 | \$0 | \$0 | \$11,164 | \$0 | \$898 |
| 89 | Total Deprec. and Amort. | \$29,265 | | \$16,203 | \$0 | \$0 | \$11,164 | \$0 | \$898 |
| 90 | TOTAL NON-SPECIFIC OPER EXP | \$29,429 | | \$16,949 | \$0 | \$0 | \$11,548 | \$0 | \$931 |

Budgwater-Canada Telephone Company

| | Total M Inter-LATA Total | | | | | | Billing and Collection | Other |
|--|--------------------------------|--------|-----|-----|-------|---------|---------------------------|-------|
| | (B) | (A) | (C) | (D) | (E) | (F) | | |
| 104 CUSTOMER OPERATIONS EXPENSE | | | | | | | | |
| 105 Marketing Allowable | \$0 | N27 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 107 Marketing Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. |
| 108 Total Marketing Expense | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 110 Operator Service Alloc. | \$0 | M61 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 112 Operator Service Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. |
| 114 Total Operator Service | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 116 Classified Directory | \$0 | Direct | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 117 Unclassified Directory | 0 | Direct | 0 | 0 | 250 | 0 | 0 | O.K. |
| 118 Foreign Directory | 0 | Direct | 0 | 0 | 0 | 0 | 0 | O.K. |
| 119 Total Directory | \$386 | | \$0 | \$0 | \$386 | 0 | 0 | O.K. |
| 120 Bulk CR: EU PreSubscription | 0 | N40 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 122 Bulk CR: Reserved | 0 | (J) | 0 | 0 | 0 | 0 | 0 | O.K. |
| 124 Bulk CR: EU Message | 1,243 | (H) | 0 | 0 | 0 | 0 | 1,243 | O.K. |
| 126 Bulk CR: EU Reserved | 0 | (I) | 0 | 0 | 0 | 0 | 0 | O.K. |
| 127 Bulk CR: IX Special Access | 0 | (I) | 0 | 0 | 0 | 0 | 0 | O.K. |
| 128 Bulk CR: IX Special Access | 0 | N20 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 129 Bulk CR: IX Billing and Collection | 0 | (H) | 0 | 0 | 0 | 0 | 0 | O.K. |
| 130 Bulk CR: Color Collection & Adminstr | 0 | (D) | 0 | 0 | 0 | 0 | 0 | O.K. |
| 131 Bulk CR: Reserved | 0 | (I) | 0 | 0 | 0 | 0 | 0 | O.K. |
| 133 Total Business Office | \$1,243 | | \$0 | \$0 | \$0 | \$0 | \$1,243 | O.K. |
| 134 Cost Serv. Mktg. Promotes | 63,576 | (H) | 0 | 0 | 0 | 0 | 63,576 | O.K. |
| 135 Cost Serv. Other BAC | 2,417 | (H) | 0 | 0 | 0 | 0 | 2,417 | O.K. |
| 137 Cost Serv. CABIS | 7,094 | N21 | 0 | 0 | 0 | 6,533 | 561 | O.K. |
| 138 Cost Serv. EU Common Line | 0 | (H) | 0 | 0 | 0 | 0 | 0 | O.K. |
| 140 Total Customer Service | \$73,088 | | \$0 | \$0 | \$0 | \$6,533 | \$5,094 | O.K. |
| 141 Total BO, CS, OS, Dr. | \$143,717 | | \$0 | \$0 | \$386 | \$6,533 | \$7,237 | O.K. |

Bridgeable California Telephones Company

| Part 36 Line 14 Total | | ***** FCG 8841 (6) ***** Operating Expenses and Taxes | | | | | | |
|--|---------------|--|-----------------|-------------|-----------------|------------------------|----------|---------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| | Appropriation | Common Line | Local Switching | Information | Common Trunking | Billing and Collection | Other | |
| 158 Other Cust Serv. Alloc. | \$45 | \$0 | \$0 | \$0 | \$1 | \$20 | \$22 | \$2 |
| 159 Other Cust Serv. Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 160 Total Other Cust Serv. | \$45 | \$0 | \$0 | \$0 | \$1 | \$20 | \$22 | \$2 |
| 162 TOTAL CUSTOMER OPER EXP | \$14,762 | \$0 | \$0 | \$0 | \$387 | \$6,553 | \$7,259 | \$663 |
| ***** BIG-THREE EXPENSES ***** | | | | | | | | |
| 166 Total PM Specific Exp | \$29,683 | \$14,023 | \$0 | \$0 | \$0 | \$14,648 | \$0 | \$1,015 |
| 167 Total PM General Exp | 62,149 | 14,762 | 0 | 0 | 0 | 6,553 | 7,259 | 33 |
| 169 Total Customer Operations | 14,762 | 0 | 0 | 0 | 387 | 6,553 | 7,259 | 663 |
| 170 Total | \$45,608 | \$14,789 | \$0 | \$0 | \$387 | \$21,584 | \$7,259 | \$1,610 |
| ***** CORPORATE OPERATIONS EXPENSE ***** | | | | | | | | |
| 174 Exec and Planning Alloc. | \$51,572 | \$16,790 | \$0 | \$0 | \$437 | \$24,406 | \$6,248 | \$1,821 |
| 176 Exec and Planning Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 177 Total Exec. and Planning | \$51,572 | \$16,790 | \$0 | \$0 | \$437 | \$24,406 | \$6,248 | \$1,821 |
| 180 Admin. & General Allocable | \$9,304 | \$3,013 | \$0 | \$0 | \$79 | \$4,403 | \$1,481 | \$329 |
| 181 Admin. & General Direct | 25,841 | 6,749 | 0 | 0 | 177 | 9,863 | 3,317 | 736 |
| 182 Total Admin. and Gen. | \$35,145 | \$9,762 | \$0 | \$0 | \$256 | \$14,266 | \$4,798 | \$1,064 |
| 184 TOTAL CORPORATE OPERATIONS | \$41,717 | \$26,461 | \$0 | \$0 | \$693 | \$38,672 | \$13,007 | \$2,885 |
| ***** NON-INCOME TAXES ***** | | | | | | | | |
| 188 Non-income Taxes Allocable | \$20 | \$12 | \$0 | \$0 | \$0 | \$8 | \$0 | \$1 |
| 189 Non-income Taxes Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 192 Total Non-income Taxes | \$20 | \$12 | \$0 | \$0 | \$0 | \$8 | \$0 | \$1 |
| 195 TOTAL OPER EXP AND TAXES | \$155,610 | \$53,445 | \$0 | \$0 | \$1,080 | \$71,427 | \$20,266 | \$5,394 |

Budgeteer-Canada Telephone Company

***** FCC PART 68 *****
 Equipment Statement
 Detail

| (A) | Part 38 Information | | | | | | | |
|-------------------------------------|---------------------|---------------------|-------------|-----------------|-------------|------------------|------------------------|-------|
| | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| | Total | Source or Apportion | Common Line | Local Switching | Information | Combin Transport | Billing and Collection | Other |
| 13. LAND AND SUPPORT ASSETS: | | | | | | | | |
| 14 | \$5 | 728 | \$1 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 15 | 0 | 728 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | | | | | | | | |
| 17 | | | | | | | | |
| 18 | | | | | | | | |
| 19 | | | | | | | | |
| 20 | 243 | 728 | \$36 | \$0 | \$0 | \$208 | \$0 | \$0 |
| 21 | 0 | 728 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | | | | | | | | |
| 23 | | | | | | | | |
| 24 | \$243 | | \$36 | \$0 | \$0 | \$208 | \$0 | \$0 |
| 25 | | | | | | | | |
| 26 | \$250 | | 336 | \$0 | \$0 | \$213 | \$0 | \$0 |
| 27 | | | | | | | | |
| CENTRAL OFFICE EQUIPMENT: | | | | | | | | |
| 28 | | | | | | | | |
| 29 | \$0 | (F) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 30 | 0 | (I) | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | | | | | | | | |
| 32 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 33 | | | | | | | | |
| 34 | \$0 | (D) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 35 | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | | | | | | | | |
| 37 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 38 | | | | | | | | |
| 39 | \$0 | (E) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 40 | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 41 | | | | | | | | |
| 42 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 43 | | | | | | | | |
| 44 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Prologwater-Cantelata Telephone Company

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|----|-----------------------------|---------|----------------------------|----------------|--------------------|-------------|---------------------|---------------------------|-------|
| | Account Description | Total | Source or Appropriation | Common Line | Local Switching | Information | Common Transport | Billing and Collection | Other |
| 58 | COE Each Trunk | \$0 | Direct | | \$0 | \$0 | \$0 | \$0 | \$0 |
| 59 | COE Each Line - Message | 124 | (D) | 124 | 0 | 0 | 0 | 0 | 0 |
| 60 | COE Each Line - Interswitch | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 61 | COE Each Line - Assigned | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 62 | COE Interswitch Message | 495 | (D) | 0 | 0 | 0 | 495 | 0 | 0 |
| 63 | COE Interswitch PL | 0 | (D) | 0 | 0 | 0 | 0 | 0 | 0 |
| 64 | COE Interswitch Assigned | 0 | (I) | 0 | 0 | 0 | 0 | 0 | 0 |
| 65 | COE HIR Message | 0 | (D) | 0 | 0 | 0 | 0 | 0 | 0 |
| 66 | COE HIR Assigned | 0 | (D) | 0 | 0 | 0 | 0 | 0 | 0 |
| 67 | Total COE Transmission | \$619 | Direct | \$124 | \$0 | \$0 | \$495 | \$0 | \$0 |
| 69 | Total Centre Office Equip | \$619 | | \$124 | \$0 | \$0 | \$495 | \$0 | \$0 |
| 71 | TOT EQUIPMENT | | | | | | | | |
| 73 | Public Telephone | \$0 | 743 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 74 | Public Telephone | 0 | (D) | 0 | 0 | 0 | 0 | 0 | 0 |
| 75 | Customer Premises Equipment | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| 77 | Total IOT Equipment | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 80 | CABLE AND WIRE FACILITIES | | | | | | | | |
| 81 | Exchange PL and WATS | \$0 | (D) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 82 | Exchange Message | 1,342 | (D) | 1,342 | 0 | 0 | 0 | 0 | 0 |
| 84 | Exchange Assigned | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 85 | Total Exchange Line CBSP | \$1,342 | | \$1,342 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 86 | Exchange Trunk, Message | \$0 | Direct | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 87 | Exchange Trunk, PL | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| 91 | Total Exchange Trunk CBSP | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92 | Interswitch Message | \$278 | (D) | \$0 | \$0 | \$0 | \$278 | \$0 | \$0 |
| 94 | Interswitch PL, WATS | 0 | (D) | 0 | 0 | 0 | 0 | 0 | 0 |
| 95 | Interswitch Assigned | 0 | (D) | 0 | 0 | 0 | 0 | 0 | 0 |
| 97 | Total Interswitch CBSP | \$278 | | \$0 | \$0 | \$0 | \$278 | \$0 | \$0 |

Budgreader-Canadusa Telephone Company

Part 36
Intr. LATA

***** FCC PART 68 *****
Appropriation Factors

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|-------------------------------|----------|--------|----------------|--------------------|-------------|---------------------|---------------------------|----------|
| | Total | Source | Common Line | Local Switching | Information | Common Transport | Billing and Collection | Other |
| 14 Central Office Equipment | \$919 | R19 | \$124 | \$0 | \$0 | \$495 | \$0 | \$0 |
| 15 Int. Off. Equip. | \$219 | R19 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 CAV Facilities | 1,572 | R117 | 1,342 | 0 | 0 | 279 | 0 | 0 |
| 16 Total | \$2,710 | | \$1,466 | \$0 | \$0 | \$774 | \$0 | \$0 |
| 16 Factor | 1,000000 | | 0.620200 | 0.000000 | 0.000000 | 0.339800 | 0.000000 | 0.000000 |
| 19 Sum. Sw. Trans. Other | \$725 | 17 | \$0 | \$0 | \$0 | \$725 | \$0 | \$0 |
| 20 Factor | 1,000000 | | 0.000000 | 0.000000 | 0.000000 | 1.000000 | 0.000000 | 0.000000 |
| 22 Central Office Equipment | \$819 | R19 | \$124 | \$0 | \$0 | \$495 | \$0 | \$0 |
| 23 Int. Off. Equip. | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 CAV Facilities | 279 | R117 | 0 | 0 | 0 | 279 | 0 | 0 |
| 26 Total | \$819 | | \$124 | \$0 | \$0 | \$774 | \$0 | \$0 |
| 26 Factor | 1,000000 | | 0.148101 | 0.000000 | 0.000000 | 0.853899 | 0.000000 | 0.000000 |
| 29 General Support Facilities | \$250 | R25 | \$36 | \$0 | \$0 | \$213 | \$0 | \$0 |
| 31 Central Office Equipment | 619 | 13 | 0 | 0 | 0 | 495 | 0 | 0 |
| 32 Int. Off. Equip. | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 CAV Facilities | 1,872 | 15 | 1,342 | 0 | 0 | 229 | 0 | 0 |
| 34 Equal Access Investment | 0 | R117 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 Total | \$2,441 | | \$1,603 | \$0 | \$0 | \$938 | \$0 | \$0 |
| 35 Factor | 1,000000 | | 0.619684 | 0.000000 | 0.000000 | 0.384316 | 0.000000 | 0.000000 |
| 37 Sum. Com. L. Sw. Trans | \$3,441 | 36 | \$1,653 | \$0 | \$0 | \$938 | \$0 | \$0 |
| 38 Factor | 1,000000 | | 0.819884 | 0.000000 | 0.000000 | 0.384316 | 0.000000 | 0.000000 |
| 41 COE Cat. 2 Factor | 1,000000 | Direct | 0.000000 | 0.000000 | 0.000000 | 1.000000 | 0.000000 | 0.000000 |
| 43 TOT Cat. 1 Factor | 1,000000 | Direct | 1.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 45 Total T103 | \$2,441 | Q26 | \$1,563 | \$0 | \$0 | \$938 | \$0 | \$0 |
| 46 Factor | 1,000000 | | 0.619884 | 0.000000 | 0.000000 | 0.384316 | 0.000000 | 0.000000 |

Midwestern-Cambium Telephone Company

| Plant ID InteLATA TAM | (B) | Apporion (C) | Common Line (D) | Local Switching (E) | Information (F) | Common Transport (G) | Billing and Collection (H) | Other (I) | |
|-----------------------------------|-------|-----------------|-----------------------|---------------------------|--------------------|----------------------------|----------------------------------|--------------|------|
| | | | | | | | | | (A) |
| 13 PLANT SPEC OPER EXPENSE | | | | | | | | | |
| 15 | \$0 | 737 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 16 | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 17 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 19 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 20 | \$7 | 730 | \$1 | \$0 | \$0 | \$6 | \$0 | \$0 | O.K. |
| 21 | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 23 | \$7 | | \$1 | \$0 | \$0 | \$6 | \$0 | \$0 | O.K. |
| 24 | \$61 | 731 | \$12 | \$0 | \$0 | \$49 | \$0 | \$0 | O.K. |
| 26 | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 27 | \$61 | | \$12 | \$0 | \$0 | \$49 | \$0 | \$0 | O.K. |
| 29 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 30 | \$0 | 876 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 31 | 0 | 743 | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 32 | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 34 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 35 | \$59 | 732 | \$50 | \$0 | \$0 | \$9 | \$0 | \$0 | O.K. |
| 36 | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 39 | \$59 | | \$50 | \$0 | \$0 | \$9 | \$0 | \$0 | O.K. |
| 41 | \$127 | | \$53 | \$0 | \$0 | \$63 | \$0 | \$0 | O.K. |
| 42 | \$120 | | \$62 | \$0 | \$0 | \$58 | \$0 | \$0 | O.K. |

Bridgeview-Consolidated Telephone Company

| ***** FCC PART 69 ***** Operating Expenses and Taxes | | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|---|-----------------------------------|--------------|---------------|-------------|----------------|--------------------|-------------|---------------------|---------------------------|------------|
| Part 36 InterLATA Total | | | | Apporion | Common Line | Local Switching | Information | Common Transport | Billing and Collection | Other |
| NON-SPECIFIC OPER EXP | | | | | | | | | | |
| 54 | Ch. Pr. and Equip. Alloc. | \$0 | T18 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 55 | Ch. Pr. and Equip. Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 62 | Total Ch. Pr. & Equip. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 63 | Network Operations: Alloc. | \$5 | T18 | \$3 | \$3 | \$0 | \$0 | \$2 | \$0 | \$0 |
| 64 | Network Operations: Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 65 | Total Network Oper. Exp. | \$5 | \$5 | \$3 | \$3 | \$0 | \$0 | \$2 | \$0 | \$0 |
| 69 | Total Access Expenses | \$0 | Direct | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71 | Depr. Support Assets | \$7 | R23 | \$1 | \$1 | \$0 | \$0 | \$6 | \$0 | \$0 |
| 72 | Depr. Intangibles | 0 | R23 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 73 | Depr. COE Operating | 0 | R32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 74 | Depr. COE Transmission | 29 | R68 | 8 | 0 | 0 | 0 | 21 | 0 | 0 |
| 75 | Depr. OT Equipment | 0 | R78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 76 | Depr. Int'l Facilities | 0 | R80 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 77 | Depr. Int'l | 0 | R147 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 78 | Total Depreciation Expense | \$122 | | \$73 | \$73 | \$0 | \$0 | \$49 | \$0 | \$0 |
| 81 | Amort. Tangible Assets | 0 | R141 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 82 | Amort. Intangible Assets | 0 | R144 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 83 | Direct Amortized Amount | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 84 | Direct Amortized Amount | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 85 | Total Amortization Exp. | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 86 | Total Depr. and Amort. | \$122 | | \$73 | \$73 | \$0 | \$0 | \$49 | \$0 | \$0 |
| 89 | TOTAL NON-SPEC. OPER EXP | \$127 | | \$77 | \$77 | \$0 | \$0 | \$50 | \$0 | \$0 |

| | Part 96 Intell/ATA Total | | Apparition (C) | Common Line (D) | Local Switching (E) | Information (F) | Common Transport (G) | Billing and Collection (H) | Other (I) |
|-----------------------------------|--------------------------------|--------|-------------------|-----------------------|---------------------------|--------------------|----------------------------|----------------------------------|--------------|
| | (A) | (B) | | | | | | | |
| 104 CUSTOMER OPERATIONS EXPENSE | | | | | | | | | |
| 105 Marketing Allowable | \$0 | T37 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 107 Marketing Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 109 Total Marketing Expense | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 110 Operator Service, Alloc. | \$0 | T81 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 112 Operator Service Direct | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 114 Total Operator Service | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 115 Classified Directory | \$5 | Direct | \$5 | \$0 | \$0 | \$0 | \$5 | \$0 | O.K. |
| 116 Unclassified Directory | 2 | Direct | 0 | 0 | 2 | 0 | 0 | 0 | O.K. |
| 118 Foreign Directory | 0 | Direct | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 119 Total Directory | \$7 | | \$0 | \$0 | \$2 | \$0 | \$0 | \$0 | O.K. |
| 120 | | | | | | | | | |
| 122 Bk Ck: EU PreSubscription | 0 | T40 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | O.K. |
| 123 Bk Ck: Reserved | 0 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 124 Bk Ck: EU Message | 6 | (H) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 125 Bk Ck: EU Message | 4 | (H) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 126 Bk Ck: EU Reserved | 0 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 127 Bk Ck: Special Access | 0 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 128 Bk Ck: Special Access | 0 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 129 Bk Ck: Billing and Collection | 0 | (H) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 130 Bk Ck: Billing and Collection | 0 | (D) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 131 Bk Ck: Reserved | 0 | (I) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 132 | | | | | | | | | |
| 133 Total Business Office | \$6 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$6 | O.K. |
| 134 Call Serv: Mktg Process | \$2 | (H) | 0 | 0 | 0 | 0 | 0 | 2 | O.K. |
| 135 Call Serv: Other BAC | 11 | (H) | 0 | 0 | 0 | 0 | 0 | 11 | O.K. |
| 137 Call Serv: CALLS | 32 | (H) | 0 | 0 | 0 | 0 | 32 | 0 | O.K. |
| 138 Call Serv: EU Common Line | 0 | (H) | 0 | 0 | 0 | 0 | 0 | 0 | O.K. |
| 140 Total Customer Service | \$45 | | \$0 | \$0 | \$0 | \$0 | \$32 | \$13 | O.K. |
| 141 | | | | | | | | | |
| 142 Total Bk, CS, OS, Dr | \$03 | | \$0 | \$0 | \$2 | \$0 | \$32 | \$19 | O.K. |

Sheet '1'
ENDING DECEMBER 31, 1982

22-Apr-88

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Bridgewater-Camden Telephone Company

***** FCC PART 69 *****
***** OPERATING EXPENSES AND TAXES *****

Part 38
INFORMATION

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|-----|------------------------------|-------|--------------|-------------|-----------------|-------------|------------------|------------------------|-------|
| | Operating Expenses and Taxes | Total | Apportion | Common Line | Local Switching | Information | Common Transport | Billing and Collection | Other |
| 158 | Other Cust. Serv. Alloc. | \$0 | 142 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 159 | Other Cust. Serv. Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 160 | Other Cust. Serv. Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 161 | Total Other Cust. Serv. | \$0 | 142 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 162 | Other Cust. Serv. Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 163 | TOTAL CUSTOMER OPER. EXP. | \$53 | 142 | \$0 | \$0 | \$2 | \$32 | \$19 | \$0 |
| 164 | 'BIG THREE' EXPENSES: | | | | | | | | |
| 165 | Total Int. Specific Exp. | \$127 | 41 | \$63 | \$0 | \$0 | \$63 | \$0 | \$0 |
| 166 | Total Int. Non-specific Exp. | 5 | 62 + 67 + 69 | 3 | 0 | 0 | 2 | 0 | 0 |
| 167 | Total Int. Non-specific Exp. | 5 | 62 + 67 + 69 | 3 | 0 | 0 | 2 | 0 | 0 |
| 168 | Total Int. Non-specific Exp. | 5 | 62 + 67 + 69 | 3 | 0 | 0 | 2 | 0 | 0 |
| 169 | Total Int. Non-specific Exp. | 5 | 62 + 67 + 69 | 3 | 0 | 0 | 2 | 0 | 0 |
| 170 | TOTAL 'BIG THREE' EXPENSES | \$185 | 185 | \$66 | \$0 | \$2 | \$67 | \$19 | \$0 |
| 171 | TOTAL 'BIG THREE' EXPENSES | \$185 | 185 | \$66 | \$0 | \$2 | \$67 | \$19 | \$0 |
| 172 | CORPORATE OPERATIONS EXPENSE | | | | | | | | |
| 173 | Exec. and Planning Alloc. | \$209 | 184 | \$75 | \$0 | \$2 | \$112 | \$41 | \$0 |
| 174 | Exec. and Planning Alloc. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 175 | Exec. and Planning Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 176 | Exec. and Planning Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 177 | Total Exec. and Planning | \$209 | 184 | \$75 | \$0 | \$2 | \$112 | \$41 | \$0 |
| 178 | Total Exec. and Planning | \$209 | 184 | \$75 | \$0 | \$2 | \$112 | \$41 | \$0 |
| 179 | Admin. & General Allocable | \$38 | 164 | \$14 | \$0 | \$0 | \$29 | \$4 | \$0 |
| 180 | Admin. & General Allocable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 181 | Admin. & General Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 182 | Total Admin. and Gen. | \$38 | 164 | \$14 | \$0 | \$0 | \$29 | \$4 | \$0 |
| 183 | Total Admin. and Gen. | \$38 | 164 | \$14 | \$0 | \$0 | \$29 | \$4 | \$0 |
| 184 | TOTAL CORPORATE OPERATIONS | \$247 | 348 | \$89 | \$0 | \$2 | \$140 | \$45 | \$0 |
| 185 | TOTAL CORPORATE OPERATIONS | \$247 | 348 | \$89 | \$0 | \$2 | \$140 | \$45 | \$0 |
| 186 | NON-INCOME TAXES: | | | | | | | | |
| 187 | Non-income Taxes Allocable | 0 | 137 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 188 | Non-income Taxes Allocable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 189 | Non-income Taxes Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 190 | Non-income Taxes Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 191 | Non-income Taxes Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 192 | Non-income Taxes Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 193 | Total Non-income Taxes | \$0 | 137 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 194 | TOTAL OPER. EXP. AND TAXES | \$583 | 585 | \$229 | \$0 | \$4 | \$309 | \$64 | \$0 |
| 195 | TOTAL OPER. EXP. AND TAXES | \$583 | 585 | \$229 | \$0 | \$4 | \$309 | \$64 | \$0 |

22-Apr-88

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INTRASTATE

| | TOTAL COMPANY | Source/ Account | Message Telephone Service | | Private Line | | TOTAL INTRASTATE |
|---|------------------|--------------------|---------------------------|-----------|--------------|-----------|---------------------|
| | | | INTRALATA | INTERLATA | INTRALATA | INTERLATA | |
| (A) | (B) | (C) | (E) | (F) | (G) | (H) | (I) |
| 123 TRUC - Short Term Alloc | 0 | | | | | | |
| 124 TRUC - Long Term Alloc | 35,948 | | | | | | |
| 125 TRUC - Long Term Direct | 0 | | | | | | |
| 126 TRUC - Long Term Direct | 0 | | | | | | |
| RESERVES AND DEFERRALS | | | | | | | |
| 127 Acc Depr. Support Assets | 47,332 | | | | | | |
| 129 Acc Depr. COE Switching | 39,152 | | | | | | |
| 130 Acc Depr. COE Operator | 131,600 | | | | | | |
| 131 Acc Depr. COE Transmission | 670,779 | | | | | | |
| 133 Acc Depr. IOT Equipment | 0 | | | | | | |
| 134 Acc Depr. Cable and Wire Facilities | 0 | | | | | | |
| 135 Acc Depr. Other Equip | 0 | | | | | | |
| 136 Acc Depr. Other Equip | 0 | | | | | | |
| 137 Account Alloc. Utility Inv | 0 | | | | | | |
| 138 Account Alloc. Other | 0 | | | | | | |
| 139 Account Alloc. Other | 0 | | | | | | |
| 140 Acc DM IT COE Switching | 0 | | | | | | |
| 141 Acc DM IT COE Operator | 0 | | | | | | |
| 142 Acc DM IT COE Trans | 0 | | | | | | |
| 143 Acc DM IT COE Equip | 0 | | | | | | |
| 144 Acc DM IT CSM* | 0 | | | | | | |
| 145 Acc DM IT Unclassified | 0 | | | | | | |
| 147 OPERATING EXPENSES AND TAXES | | | | | | | |
| 148 Network Support Alloc | 0 | | | | | | |
| 149 Network Support Direct | 6,492 | | | | | | |
| 150 General Support Alloc | 0 | | | | | | |
| 151 General Support Direct | 76,794 | | | | | | |
| 152 Central Office Eq. Alloc | 0 | | | | | | |
| 153 Central Office Eq. Direct | 0 | | | | | | |
| 154 Central Office Phone Exp | 0 | | | | | | |
| 155 Central Office Phone Exp | 0 | | | | | | |
| 156 Other IOT | 0 | | | | | | |
| 157 IOT Direct Alloc | 51,080 | | | | | | |
| 158 IOT Direct Other | 0 | | | | | | |
| 159 Cable & Wire Direct | 0 | | | | | | |

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL
 Engineer-Camille Telephone Company
 ENDING DECEMBER 31, 1992

22-Apr-90

03:57:39 PM

| | TOTAL COMPANY | Intrastate | | | | | | TOTAL INTRASTATE |
|--------------------------------------|------------------|----------------------|-----|---------------------------|-----|--------------|-----|---------------------|
| | | Source/ Allocator | | Message Telephone Service | | Private Line | | |
| | | (B) | (C) | (E) | (F) | (G) | (H) | |
| (A) | | | | | | | (I) | |
| 176 Cth. Rtr. and Equip. Alloc. | 0 | | | | | | 0 | |
| 177 Cth. Rtr. and Equip. Direct | 4,973 | | | | | | 0 | |
| 178 Network Operations, Inc. | 0 | | | | | | 0 | |
| 180 TDM Access Expense | 0 | | | | | | 0 | |
| 181 Dep'r - Support Assets | 7,156 | | | | | | 0 | |
| 182 Dep'r - Support Assets | 24,762 | | | | | | 0 | |
| 183 Dep'r - Support Assets | 0 | | | | | | 0 | |
| 184 Dep'r - COE Transmission | 29,222 | | | | | | 0 | |
| 185 Dep'r - IOT Equipment | 65,540 | | | | | | 0 | |
| 187 Amort. Tangible Assets | 0 | | | | | | 0 | |
| 188 Amort. Intangible Assets | 0 | | | | | | 0 | |
| 189 Other Amortization | 0 | | | | | | 0 | |
| 190 Marketing Allocation | 0 | | | | | | 0 | |
| 191 Marketing Allocation | 0 | | | | | | 0 | |
| 192 Marketing Direct | 0 | | | | | | 0 | |
| 193 Operator Service Alloc. | 90 | | | | | | 0 | |
| 194 Operator Service Direct | 0 | | | | | | 0 | |
| 195 Christfield Directory | 2,043 | | | | | | 0 | |
| 196 Appraisable Directory | 0 | | | | | | 0 | |
| 197 Appraisable Directory | 0 | | | | | | 0 | |
| 198 Bus. Ols. EU Presubscription | 0 | | | | | | 0 | |
| 199 Bus. Ols. EU MTS & WATS | 4,152 | | | | | | 0 | |
| 200 Bus. Ols. EU Access, P/L & Other | 4,166 | | | | | | 0 | |
| 201 Bus. Ols. IXC Switched Access | 0 | | | | | | 0 | |
| 202 Bus. Ols. IXC Switched Access | 0 | | | | | | 0 | |
| 203 Bus. Ols. IXC P & C Services | 0 | | | | | | 0 | |
| 204 Bus. Ols. IXC P & C Services | 0 | | | | | | 0 | |
| 205 Cost Serv. Admin. | 0 | | | | | | 0 | |
| 206 Cost Serv. Mktg. Process | 4,784 | | | | | | 0 | |
| 207 Cost Serv. Other B/C | 7,285 | | | | | | 0 | |
| 208 Cost Serv. Other B/C | 14,771 | | | | | | 0 | |
| 209 Cost Serv. EU Common Line | 100 | | | | | | 0 | |
| 210 Other Cost Serv. Alloc. | 0 | | | | | | 0 | |
| 211 Other Cost Serv. Direct | 194,078 | | | | | | 0 | |
| 212 Other Cost Serv. Direct | 0 | | | | | | 0 | |
| 213 Exec. and Planning Direct | 0 | | | | | | 0 | |

INTERSTATE SWITCHED ACCESS CHARGE RATE DEVELOPMENT

DATE: 04/24/98

COMPANY: BRIDGEWATER-CANISTOTA TELEPHONE COMPANY

YEAR: 1997

| | Revenue Requirement | Originating MOU | Terminating MOU | Total MOU | Originating Rate | Terminating Rate |
|-----------------------|---------------------|-----------------|-----------------|-----------|------------------|------------------|
| 1 Carrier Common Line | \$79,225 | 1,070,726 | 884,372 | 1,955,098 | \$0.031826 | \$0.051052 |
| 2 Local Switching * | \$1,129 | 1,070,726 | 884,372 | 1,955,098 | \$0.000454 | \$0.000728 |
| 3 Local Transport | \$90,323 | 1,070,726 | 884,372 | 1,955,098 | \$0.046199 | \$0.046199 |
| 4 Total | \$170,677 | | | | \$0.078478 | \$0.097978 |

* INCLUDING INFORMATION ELEMENT REVENUE REQUIREMENT

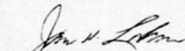
INDEPENDENT AUDITOR'S REPORT

Board of Directors and Shareholders of
Bridgewater-Canistota Independent Telephone Company
Hartford, South Dakota

I have audited the accompanying balance sheets of Bridgewater-Canistota Independent Telephone Company (BCITC) as of December 31, 1997 and 1996 and the related statements of operations, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted accounting standards and "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridgewater-Canistota Independent Telephone Company as of December 31, 1997 and 1996 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.


James H. Lanham, C.P.A.
Springfield, Illinois
April 23, 1998

FINANCIAL STATEMENTS

Bridgewater-Canistota Independent Telephone Company
Hartford, South Dakota
Comparative Balance Sheets

ASSETS

| | December 31, | |
|------------------------------------|--------------|-------------|
| | 1997 | 1996 |
| Current Assets: | | |
| Cash and Cash Equivalents | \$11,452 | \$42,030 |
| Customer Accounts Receivable | 7,108 | 463 |
| Other Accounts Receivable | 69,930 | 36,708 |
| Materials and Supplies | 4,992 | -0- |
| Prepayments | 15,905 | 1,626 |
| Total Current Assets | 109,387 | 80,827 |
| Intangible: | 1,216,904 | 1,387,193 |
| Telephone Plant: | | |
| Telephone Plant in Service | 2,610,733 | 2,171,252 |
| Less: Accumulated Depreciation | 891,606 | 896,417 |
| Net Telephone Plant in Service | 1,719,127 | 1,274,835 |
| Telephone Plant Under Construction | -0- | 71,892 |
| Total Telephone Plant | 1,719,127 | 1,346,727 |
| Total Assets | \$3,045,418 | \$2,814,747 |

Bridgewater-Canistota Independent Telephone Company
Hartford, South Dakota
Comparative Balance Sheets

LIABILITIES AND STOCKHOLDERS' EQUITY

| | December 31, | |
|---|--------------|-------------|
| | 1997 | 1996 |
| Current Liabilities: | | |
| Accounts Payable | \$60,219 | \$8,795 |
| Current Maturity - Long Term Debt | 132,773 | -0- |
| Accrued Other Tax | 32,452 | 13,828 |
| Total Current Liabilities | 225,444 | 22,623 |
| Long Term Debt - Affiliate | 2,419,861 | 2,266,042 |
| Stockholder's Equity: | | |
| Common Stock, par value \$10, 10,000 shares issued and outstanding | 100,000 | 100,000 |
| Paid-in Capital | 400,000 | 400,000 |
| Retained Earnings | (99,887) | 26,082 |
| Total Stockholders' Equity | 400,113 | 526,082 |
| Total Liabilities and Stockholders' Equity | \$3,045,418 | \$2,814,747 |

Bridgewater-Canistota Independent Telephone Company
Hartford, South Dakota
Statement of Retained Earnings

| | Years Ending December 31, | |
|------------------------------|------------------------------|----------|
| | 1997 | 1996 |
| Balance, Beginning of Period | \$26,082 | -0- |
| Net Income (Loss) | (125,969) | 26,082 |
| Balance, End of Period | (\$99,887) | \$26,082 |

Bridgewater-Canistota Independent Telephone Company
Hartford, South Dakota
Statements of Cash Flows
Increase (Decrease) in Cash and Cash Equivalents

| | Year Ended December 31, 1997 | June 15 thru December 31, 1996 |
|--|------------------------------------|--------------------------------------|
| Cash Flows From Operating Activities: | | |
| Net Income | (\$125,969) | \$26,082 |
| Adjustments to reconcile Net Income to Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | 434,351 | 137,774 |
| (Increase) in Accounts Receivable and Prepayments | (54,146) | (38,797) |
| (Increase) in Materials and Supplies | (4,992) | -0- |
| Increase (Decrease) in Accounts Payable and Accrued Expenses | 202,821 | 22,623 |
| Net Cash Provided by Operating Activities | 452,065 | 147,682 |
| Cash Flows From Investing Activities: | | |
| Purchase of Property, Plant and Equipment | (636,462) | (71,694) |
| Affiliate Borrowing (Net) | 153,819 | 2,266,042 |
| Goodwill | -0- | (1,435,027) |
| Purchase of Assets Common Stock | -0- | (1,364,973) |
| | -0- | 500,000 |
| Net Cash Provided by Investing Activities | (482,643) | (105,652) |
| Net Increase in Cash and Cash Equivalents | (30,578) | 42,030 |
| January 1, Cash and Cash Equivalents | 42,030 | 0 |
| December 31, Cash and Cash Equivalents | \$11,452 | \$42,030 |

Bridgewater-Canistota Independent Telephone Company
 Hartford, South Dakota
 Comparative Income Statements
 (Unaudited)

| | Years Ended December 31, | |
|---|-----------------------------|-----------|
| | 1997 | 1996 |
| Operating Revenues: | | |
| Local Network Service | \$201,857 | \$116,001 |
| Network Access Service | 581,721 | 228,264 |
| Miscellaneous | 44,592 | 1,337 |
| Less: Uncollectibles | -0- | (113) |
| Total Operating Revenues | 828,170 | 345,715 |
| Operating Expenses: | | |
| Plant Specific Operations | 138,992 | 36,364 |
| Plant Nonspecific Operations (Includes Depreciation and Amortization of \$127,108 and \$90,257, respectively) | 132,031 | 92,719 |
| Customer Operations | 37,616 | 11,654 |
| Corporate Operations | 251,221 | 19,145 |
| Operating Taxes: | | |
| Income Taxes | 10,183 | 19,317 |
| Other Operating Taxes | 32,652 | 13,961 |
| Total Operating Expenses | 602,695 | 193,160 |
| Net Operating Income | 225,475 | 152,555 |
| Other Income (Expense): | | |
| Interest and Dividend Income | (6,231) | 4,291 |
| Interest Expense | (174,924) | (85,499) |
| Amortization of Intangibles (Net) | (170,289) | (45,285) |
| Total Other Income (Expense) | (351,444) | (126,493) |
| Net Income | (\$125,969) | \$26,062 |

BRIDGEWATER-CANISTOTA INDEPENDENT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS
December 31, 1997 and 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bridgewater-Canistota Independent Telephone Company (the Company) provides telephone service in the Bridgewater and Canistota access areas of South Dakota.

The accounting records of the Company are maintained in accordance with the Uniform System of Accounts for Telephone Utilities as prescribed by the Federal Communications Commission. Significant accounting policies followed by the Company are presented below:

Cash and cash equivalents

Cash and cash equivalents for purposes of the statement of cash flows include cash and money market accounts which are highly liquid and mature within 90 days of purchase.

Telephone plant

Additions to plant and replacements of significant units of property are capitalized at their original cost. When the plant is retired, its costs are removed from the asset account and charged against the depreciation reserve, together with any related salvage and removal costs.

Depreciation

The Company provides for depreciation on its plant and equipment by use of the straight-line method at annual rates which will amortize the depreciable property over its estimated useful life.

Inventory

Inventory is valued at the lower of cost, determined by the first-in, first-out method or market.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

BRIDGEWATER-CANISTOTA INDEPENDENT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS - Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Long-lived assets

The company periodically reviews the values assigned to long-lived assets such as property and equipment to determine whether any impairments exist that are other than temporary. Management believes that the long-lived assets in the accompanying balance sheets are appropriately valued.

Income taxes and investment tax credit

Deferred taxes are provided in accordance with Statement of Accounting Standards No. 109, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences in assets and liabilities for financial reporting and income tax purposes. The Company's temporary differences are due to accelerated depreciation, and extraordinary retirement loss of old central office equipment.

2. INCOME TAXES (SEE NOTE 1)

The Company files its income tax returns on a consolidated basis with Armour Independent Telephone Company, which owns 100% of the common stock.

Because of the loss for 1997, no income tax is owed by BCITC.

3. NOTES PAYABLE - AFFILIATE

Rural Telephone Finance Corporation (RTFC) loaned the funds to Armour Independent Telephone Company to buy the assets of the two exchanges and upgrade the switching equipment.

These funds were then re-loaned to BCITC, under the same terms and conditions charged to Armour.

The original loan, closed 6/17/96, was in an amount of 2,525,400, with a 12/31/97 balance of \$2,369,677, principal and interest paid quarterly, with interest at the rate of 6.3% per annum.

Supplemental financing has been obtained, totaling \$421,052, with interest at 6.65% per annum.

Both loans are scheduled to be retired, in quarterly installments, through 2010.

BRIDGEWATER-CANISTOTA INDEPENDENT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS - Continued

3. NOTES PAYABLE - AFFILIATE - Continued

The payment requirements are as follows:

| | |
|-------------------------|-------------------|
| | <u>1996</u> |
| \$ 2,525,400 Commitment | \$ 112,603 |
| 421,052 | <u>20,170</u> |
| | <u>\$ 132,733</u> |

4. MORTGAGE AND NOTES PAYABLE

The scheduled annual notes payable repayments, as of December 31, 1997 are set forth below:

| | |
|------------|---------------------|
| 1999 | \$ 142,798 |
| 2000 | 151,460 |
| 2001 | 161,741 |
| 2002 | 172,723 |
| Thereafter | <u>1,791,139</u> |
| | <u>\$ 2,491,861</u> |

5. GENERAL INFORMATION

The Company did not operate the entire year of 1996 — it operated only from the date of the closing on the U.S. West exchanges — about 6/15/96.

6. RECLASSIFICATION OF FINANCIAL STATEMENT PRESENTATION

Certain reclassifications have been made to the 1996 financial statements to conform with the 1997 financial statement presentation. Such reclassification had no effect on net income as previously reported.

Bridgewater/Canistota Independ. Telephone Co.
 Year-to-Date Trial Balance
 December 31, 1997

File:BC

Page 1

| Account No. | Account Name | Debit | Credit |
|-------------|-----------------------------------|----------------|--------------|
| 1130.00 | Cash Transfer | \$0.00 | |
| 1130.10 | Norwest Bank-General Fund | \$8,779.49 | |
| 1150.00 | Cashier's Fund | \$0.00 | |
| 1160.20 | Norwest Investment Services, Inc. | \$2,672.97 | |
| 1180.10 | Due From Subscribers | \$7,107.62 | |
| 1190.10 | A/R - AT&T | \$7,825.53 | |
| 1190.101 | AT&T PAR & Billed Diff | \$0.00 | |
| 1190.20 | A/R - US West | \$9,924.60 | |
| 1190.30 | WBCA - AS 3000 | \$9,396.00 | |
| 1190.35 | WBCA (INS)/BaC | \$0.00 | |
| 1190.40 | A/R - PCB/Interim #00 | \$1,348.64 | |
| 1190.50 | A/R - MCI | \$9,062.59 | |
| 1190.55 | A/R - US Sprint | \$2,564.57 | |
| 1190.60 | A/R - Worldcom | \$0.00 | |
| 1190.65 | A/R - Excel | \$3,806.41 | |
| 1190.70 | A/R - Frontier Communications | \$3,948.42 | |
| 1190.75 | A/R - Tele Tech Inc. | \$725.70 | |
| 1190.80 | A/R - Telco Comm. Corp. | \$790.51 | |
| 1190.85 | A/R - Firstel | \$129.34 | |
| 1190.86 | A/R - Express Communications | \$10,034.59 | |
| 1190.90 | Other Accounts Receivable | \$137,000.00 | |
| 1190.91 | A/R Armour Ind Tel Co | \$0.00 | |
| 1190.92 | A/R Union Tel Co | \$16,408.50 | |
| 1190.93 | A/R WG & MW Haugen | \$0.00 | |
| 1200.00 | Material and Supplies | \$4,992.00 | |
| 1310.00 | Prepaid General Insurance | \$3,122.00 | |
| 1310.10 | Prepaid Health Insurance | \$0.00 | |
| 1439.00 | Deferred Chg - Upgrade | \$12,783.38 | |
| 2003.00 | Constr in Progress-Shortterm | \$0.00 | |
| 2111.00 | Land | \$6,049.88 | |
| 2112.00 | Vehicle and Oth Work Equipment | \$2,436.80 | |
| 2121.00 | Buildings | \$216,853.80 | |
| 2122.00 | Furniture and Office Equipment | \$0.00 | |
| 2123.00 | Office Support Equipment | \$0.00 | |
| 2123.10 | Other Communications Equipment | \$0.00 | |
| 2212.00 | Digital Switching Equipment | \$565,395.81 | |
| 2222.00 | Circuit Equipment | \$160,399.80 | |
| 2351.00 | Station Equipment | \$4,327.42 | |
| 2362.00 | Other Term. Equip. | \$0.00 | |
| 2410.00 | IXC Exchange Equip. | \$434,299.54 | |
| 2411.00 | IXC Toll | \$25,063.56 | |
| 2423.00 | Buried Cable | \$800,394.56 | |
| 2423.10 | Buried Cable - Fiber | \$275,509.81 | |
| 2690.00 | Purchase Price in excess | \$1,435,027.34 | |
| 2691.00 | Reserve for Amortization | | \$218,123.34 |
| 3121.12 | Vehicle and Oth Work Equipment | \$0.00 | |
| 3121.21 | Buildings | | \$50,884.73 |
| 3121.22 | Furniture and Office Equipment | \$0.00 | |

Bridgewater/Canisota Independ. Telephone Co.
 Year-to-Date Trial Balance
 December 31, 1997

File:BC

Page 2

| Account No. | Account Name | Debit | Credit |
|-------------|---------------------------------|-------------|----------------|
| 3121.23 | Other Communications Equipment | \$0.00 | |
| 3122.15 | C.O.N. Switching Equipment | | \$21,789.09 |
| 3122.30 | C.O.N. Transmission Equipment | | \$109,961.52 |
| 3123.11 | Station Equipment | | \$454.00 |
| 3124.00 | Poles, Cable, Wire & ETC | | \$46,802.90 |
| 3124.10 | Public Tele. Equip. | | \$4,469.42 |
| 3124.23 | Exchange Equip. | | \$647,905.73 |
| 3124.24 | IXC Toll | | \$9,337.97 |
| 4010.10 | Accounts Payable | | \$2,000.00 |
| 4010.11 | A/P - Armour Ind Tel Co | \$0.00 | |
| 4010.12 | A/P - Union Tel Co | | \$170,110.65 |
| 4010.13 | A/P - Express Communications | | \$61,026.60 |
| 4010.131 | Express Communications PAR | \$3,849.76 | |
| 4010.14 | A/P - AT&T | | \$6,924.33 |
| 4010.141 | AT&T PAR & Billed Difference | \$0.00 | |
| 4010.19 | A/P - US West | \$0.00 | |
| 4010.191 | US West PAR & Billed Difference | \$0.00 | |
| 4010.20 | A/P - NBCA (INS) | | \$1,141.01 |
| 4010.21 | Federal W/H Tax Payable | | \$12,736.43 |
| 4010.22 | FICA W/H Tax Payable | | \$7,589.94 |
| 4010.23 | Medicare W/H Tax Payable | \$0.00 | |
| 4010.50 | Excise Tax Payable | | \$491.21 |
| 4010.51 | State Sales Tax Payable | | \$1,816.51 |
| 4010.57 | Communication Impaired Fund | \$0.00 | |
| 4010.58 | B-911 Payable | | \$2,473.80 |
| 4040.00 | Customer Deposits | \$0.00 | |
| 4070.10 | Accrued Federal Income Tax | \$19,817.00 | |
| 4080.10 | Accrued FICA Tax | \$0.00 | |
| 4080.11 | Accrued Medicare Tax | \$0.00 | |
| 4080.20 | Accrued State UC | | \$0.30 |
| 4080.30 | Accrued PUTA Tax | \$0.00 | |
| 4080.50 | Accrued Gross Receipts Tax | | \$32,452.00 |
| 4210.00 | Due to Armour | | \$2,552,634.25 |
| 4210.10 | Due to MG Haugen, Sr. | \$20,290.87 | |
| 4210.11 | Due to Marilyn M. Haugen | \$0.00 | |
| 4210.12 | Due to William Haugen, Jr. | \$0.00 | |
| 4510.10 | Common Stock | | \$500,000.00 |
| 4550.00 | Retained Earnings | | \$26,082.41 |
| 5001.00 | Local Service Revenue | | \$164,481.09 |
| 5001.14 | Pay Phone Revenue | | \$804.76 |
| 5060.00 | Other Local Service Revenue | | \$27,150.33 |
| 5060.10 | Custom Calling Revenue | | \$9,413.05 |
| 5081.00 | Interstate End User Revenue | | \$40,883.51 |
| 5082.00 | AT&T Interstate - CCL | | \$16,719.97 |
| 5082.10 | AT&T Interstate-TS | | \$130,655.59 |
| 5082.12 | NBCA - CCL | | \$22,323.00 |
| 5082.13 | NBCA-Prior Period Adj-CCL | | \$76.53 |
| 5082.22 | NBCA - TS | | \$68,019.10 |

Bridgewater/Canistota Independ. Telephone Co.
 Year-to-Date Trial Balance
 December 31, 1997

File:BC

Page 3

| Account No. | Account Name | Debit | Credit |
|-------------|-----------------------------------|-------------|-------------|
| 5082.23 | NRCA-Prior Period Adj-TS | \$7,088.21 | |
| 5082.24 | NRCA-OSP & LA Prior Period Adj | \$0.00 | |
| 5082.25 | Express Comm Interstate-CCL | \$0.00 | |
| 5082.26 | Express Comm Interstate-TS | \$0.00 | |
| 5082.27 | US West Interstate-CCL | | \$1.70 |
| 5082.28 | US West Interstate-TS | | \$11.88 |
| 5082.29 | Total Other Service Providers | | \$50,345.60 |
| 5082.291 | Intrastate OSP Revenue | | \$56,672.50 |
| 5082.292 | Intrastate OSP Revenue | | \$5,454.72 |
| 5082.30 | PGA-Rev Sh-Interstate | | \$139.00 |
| 5082.41 | PGA-ISC Interstate-TS | \$0.00 | |
| 5083.00 | AT&T Interstate Spec Access | | \$8,031.24 |
| 5084.20 | AT&T Intrastate - CCL | | \$15,247.84 |
| 5084.21 | Express Comm Intrast te-CCL | \$0.00 | |
| 5084.22 | USWC Intrastate - CCL | | \$57,687.96 |
| 5084.30 | AT&T Intrastate - TS | | \$38,609.20 |
| 5084.31 | Express Comm Intrastate-TS | | \$222.44 |
| 5084.32 | USWC Intrastate - TS | | \$72,705.00 |
| 5084.40 | AT&T Intrastate Spec Access | \$0.00 | |
| 5270.00 | Directory Revenue | | \$5,780.56 |
| 5240.00 | Rent Revenue | \$0.00 | |
| 5240.00 | Miscellaneous Revenue | \$0.00 | |
| 5270.10 | Intrastate SAC | | \$8,349.01 |
| 5270.20 | Intrastate SAC | | \$30,464.17 |
| 5301.00 | Uncollectible Revenue | \$0.00 | |
| 6112.10 | Vehicle and Oth Work Equipment | \$0.00 | |
| 6112.11 | Vehicle & Oth Work Eqpt-Labor | \$0.00 | |
| 6112.12 | Vehicle & Oth Work Eqpt-Benefit | \$0.00 | |
| 6121.10 | Land and Buildings | \$6,491.73 | |
| 6121.11 | Land and Buildings-Labor | \$0.00 | |
| 6121.12 | Land and Buildings-Benefits | \$0.00 | |
| 6212.10 | Digital Switching Equipment | \$77,645.90 | |
| 6212.20 | Digital Switching Eqpt-Labor | \$0.00 | |
| 6212.30 | Digital Switching Eqpt-Benefits | \$0.00 | |
| 6215.10 | Central Office Switching | \$0.00 | |
| 6215.20 | Central Office Switching-Labor | \$0.00 | |
| 6215.30 | Central Office Switching-Benefits | \$0.00 | |
| 6423.10 | Buried Cable | \$54,854.10 | |
| 6423.11 | Buried Cable-Labor | \$0.00 | |
| 6423.12 | Buried Cable-Benefits | \$0.00 | |
| 6512.10 | Provisioning | \$0.00 | |
| 6531.00 | Transmission Power | \$4,922.62 | |
| 6534.00 | General Plant Administration | \$0.00 | |
| 6535.00 | Engineering Clearing | \$0.00 | |
| 6540.00 | Access Expense | \$0.00 | |
| 6561.10 | Depreciation Expense | \$0.00 | |
| 6561.101 | Depreciation Expense-Monreg | \$0.00 | |
| 6561.11 | Buildings | \$7,106.00 | |

Bridgewater/Canisota Independ. Telephone Co.
 Year-to-Date Trial Balance
 December 31, 1997

File:BC

Page 4

| Account No. | Account Name | Debit | Credit |
|-------------|---|--------------|-------------|
| 6561.12 | Furniture and Office Equipment | \$0.00 | |
| 6561.13 | Vehicles and Oth Work Equipment | \$0.00 | |
| 6561.14 | Other Communications Equipment | \$0.00 | |
| 6561.15 | C.O.E. Switching | \$38,240.00 | |
| 6561.16 | C.O.E. Transmission Equipment | \$15,772.00 | |
| 6561.17 | Station Equipment | \$302.00 | |
| 6561.18 | Paystations | \$142.00 | |
| 6561.23 | Buried Cable | \$28,779.00 | |
| 6561.24 | Toll Cable | \$36,767.00 | |
| 6621.00 | Operator Services | \$12,098.47 | |
| 6622.00 | Directory Advertising | \$1,837.91 | |
| 6623.10 | Customer Services | \$471.70 | |
| 6623.20 | Customer Services-Salaries | \$0.00 | |
| 6623.30 | Customer Services-Sal Benefits | \$0.00 | |
| 6623.40 | Customer Billing-Toll | \$15,207.93 | |
| 6623.50 | Customer SAC - Union | \$8,000.00 | |
| 6711.10 | Executive Salaries | \$193,770.00 | |
| 6711.20 | Executive Salaries-Benefits | \$0.00 | |
| 6711.30 | Executive Expenses | \$57.35 | |
| 6711.40 | Executive Expenses-Meals | \$247.61 | |
| 6721.10 | Accounting and Finance | \$0.00 | |
| 6721.20 | Accounting Salaries | \$0.00 | |
| 6721.30 | Accounting Salaries-Benefits | \$0.00 | |
| 6721.40 | Accounting and Audit | \$15,750.00 | |
| 6721.45 | Telec Consulting | \$22,031.69 | |
| 6721.46 | Oak Hill Consulting | \$1,322.30 | |
| 6721.50 | Cost Separation | \$83.33 | |
| 6725.00 | Legal | \$6,301.57 | |
| 6728.10 | Other | \$90.55 | |
| 6728.20 | Insurance | \$0.00 | |
| 6728.30 | Advertising | \$750.91 | |
| 6728.40 | PSC Fees | \$0.00 | |
| 6728.50 | Telephone Expense | \$6,597.09 | |
| 6728.60 | G&A Dues | \$1,307.40 | |
| 6728.70 | Office Supplies | \$2,911.16 | |
| 7220.00 | Federal Income Tax | \$10,183.00 | |
| 7240.45 | State Gross Receipts Tax | \$32,652.00 | |
| 7240.60 | Other | \$0.00 | |
| 7250.00 | Prov For Defer Inc Tax-Net | \$0.00 | |
| 7320.10 | Interest Income - Norwest Investment Svcs | | \$2,682.26 |
| 7360.01 | Amortization of Intangibles | \$170,289.00 | |
| 7360.10 | Other Nonoperating Income | \$0.00 | |
| 7360.15 | Other Nonoperating Expense | \$0.00 | |
| 7360.20 | NECA-Prior Yr CABS Adj-CCL | \$723.53 | |
| 7360.30 | NECA-Prior Yr CABS Adj-TS | \$7,777.79 | |
| 7360.40 | NECA-Prior Yr USP/LA Adj | \$0.00 | |
| 7370.10 | Contributions | \$570.00 | |
| 7370.20 | Special Charges | | \$19,250.42 |

Bridgewater/Canistota Independ. Telephone Co.
 Year-to-Date Trial Balance
 December 31, 1997

File:BC

Page 5

| Account No. | Account Name | Debit | Credit |
|-------------|-------------------------------------|--------------|--------------|
| 7420.00 | Federal Income Tax | \$0.00 | |
| 7510.00 | Interest on Funded Debt | \$0.00 | |
| 7510.12 | RTFC Interest | \$174,924.14 | |
| 7540.00 | Interest Exp-Customer Deposits | \$0.00 | |
| 7540.10 | Other Interest Expense | \$0.00 | |
| 7990.00 | Nonregulated Net Income | \$48.77 | |
| 7991.00 | Other Nonregulated Revenues | \$0.00 | |
| 7991.01 | Leased CPN-Nonreg | | \$14,935.04 |
| 7991.17 | Labor-Nonreg | \$31,695.07 | |
| 7991.20 | Customer Premise Equipment - Nonreg | \$1,446.68 | |
| 7991.22 | Wiring/Jack-Nonreg | \$274.44 | |
| 7991.23 | Other Deductions | \$7.39 | |
| 7992.10 | Exp of Leased CPN-Nonreg | \$0.00 | |
| 7992.19 | Install of T S Wire-W'reg | \$0.00 | |
| 7992.51 | Public Tele Term Equipment Exp | \$0.00 | |
| 7992.61 | CPN - Key System Sales | \$555.47 | |
| 8100.10 | Plant Payroll Clearing | \$0.00 | |
| 8100.11 | Plant Payroll Clearing-Benefits | \$0.00 | |
| 8100.20 | Office Payroll Clearing | \$0.00 | |
| 8100.21 | Office Payroll Clearing-Benefit | \$0.00 | |
| 8100.30 | Executive Payroll Clearing | \$0.00 | |
| 8100.31 | Executive Payroll Cirng-Benefit | \$0.00 | |
| 8200.10 | Pension Clearing | \$0.00 | |
| 8200.20 | Group Insurance Clearing | \$0.00 | |
| 8200.30 | Workers Compensation Clearing | \$0.00 | |
| 8200.40 | FICA Tax Clearing | \$0.00 | |
| 8200.41 | FUTA Clearing | \$0.00 | |
| 8200.42 | State DC Clearing | \$0.00 | |
| 8200.50 | Overhead & Payroll Clearing | \$0.00 | |
| | Grand Total | \$0.00 | |
| | Balance Sheet Total | | \$125,969.34 |
| | Y-T-D Income | \$125,969.34 | |
| | Current Period Profit | \$85,062.20 | |

Date :04-02-1998
 Time :14:36:44
 User :00

Bridgewater/Canistota Telephone Company

INVESTMENTS

Form Revised 2/96

| | EOY 1996 | EOY 1997 | Avg. 1997 | % Change |
|---|--------------------|--------------------|--------------------|----------|
| —GENERAL SUPPORT FACILITIES— | | | | |
| A/C 2110 Land & Support Assets | | | | |
| Support Assets | \$236,854 | \$239,290 | \$238,072 | 1.03% |
| Land | \$6,050 | \$6,050 | \$6,050 | 0.00% |
| TOTAL GSF | \$242,904 | \$245,340 | \$244,122 | 1.00% |
| —CENTRAL OFFICE EQUIPMENT— | | | | |
| A/C 2210 COE-Switching | | | | |
| Cat 2-Tandem Switching | \$0 | \$0 | \$0 | 0.00% |
| Cat 3-Equal Access Investment | \$0 | \$0 | \$0 | 0.00% |
| Cat 3-Local Switching | \$497,629 | \$557,134 | \$527,362 | 11.90% |
| A/C 2230 COE-Transmission | | | | |
| Cat 4.1-Exchange Circuit | | | | |
| 4.11 Exch Wideband | \$0 | \$0 | \$0 | 0.00% |
| 4.12 Ex Trk EAS | \$0 | \$0 | \$0 | 0.00% |
| 4.13 Ex Line | \$0 | \$0 | \$0 | 0.00% |
| Cat 4.2-Interexchange | | | | |
| 4.22 Interexchange Wideband | \$0 | \$0 | \$0 | 0.00% |
| 4.23 All Other | \$226,104 | \$268,662 | \$247,383 | 18.62% |
| Cat 4.3-Host/Remote | | | | |
| Joint | \$0 | \$0 | \$0 | 0.00% |
| WATS | \$0 | \$0 | \$0 | 0.00% |
| TOTAL COE | \$723,733 | \$825,796 | \$774,764 | 14.10% |
| —INFORMATION ORIG/TERM EQUIPMENT — | | | | |
| A/C 2310 Info Orig/Term Equipment | | | | |
| Cat 1-Other IOT Equip | \$4,327 | \$0 | \$2,164 | -100.00% |
| Direct Assignment | | | | |
| Cat 2-Cust Premises Equip | \$0 | \$0 | \$0 | 0.00% |
| TOTAL IOT | \$4,327 | \$0 | \$2,164 | -100.00% |
| —CABLE & WIRE FACILITIES — | | | | |
| A/C 2410 Cable & Wire Facilities | | | | |
| Cat 1-Exch Line Cat. 1.3 | \$1,175,225 | \$1,234,694 | \$1,204,959 | 5.06% |
| Cat 2 Wideband & Exch Trunk | | | | |
| Wideband Exchange | \$0 | \$0 | \$0 | 0.00% |
| E A S Trunk | \$0 | \$0 | \$0 | 0.00% |
| Cat 3 Interexchange Trunk | | | | |
| Wideband | \$0 | \$0 | \$0 | 0.00% |
| Interexchange Trunk | \$25,064 | \$300,573 | \$162,818 | 1099.24% |
| Cat 4-Host/Remote C&WT | | | | |
| Joint | \$0 | \$0 | \$0 | 0.00% |
| WATS | \$0 | \$0 | \$0 | 0.00% |
| TOTAL CWF | \$1,200,289 | \$1,535,267 | \$1,367,778 | 27.91% |
| TOTAL TPIS | \$2,171,252 | \$2,606,403 | \$2,388,828 | 20.04% |

Bridgewater/Canistota Telephone Company

INVESTMENTS

Form Revised: 2/96

| | EOY 1996 | EOY 1997 | Avg. 1997 | % Change |
|--|--------------------|--------------------|--------------------|----------|
| - Other Telephone Plant | | | | |
| A/C 2002 Prop Held for Future Use | \$0 | \$0 | \$0 | 0.00% |
| A/C 2003 Pft Under Construction | \$71,892 | \$0 | \$35,946 | -100.00% |
| A/C 2005 Telephone Plant Adjustment | \$0 | \$0 | \$0 | 0.00% |
| TOTAL TELEPHONE PLANT | \$2,243,144 | \$2,606,403 | \$2,424,774 | 16.19% |
| -OTHER PLANT ACCOUNTS, MATERIALS & SUPPLIES-- | | | | |
| A/C 1220 Materials & Supplies | \$0 | \$4,992 | \$2,496 | 100.00% |
| A/C 1402 RTB Stock | \$0 | \$0 | \$0 | 0.00% |
| Cash Working Capital | \$0 | \$0 | NA | 0.00% |
| A/C 2690 Intangibles | \$0 | \$0 | \$0 | 0.00% |
| TOTAL OTHER | \$0 | \$4,992 | \$2,496 | 100.00% |
| TOTAL TELEPHONE PLANT OTHER PLANT & CWC | \$2,243,144 | \$2,611,395 | \$2,427,270 | 16.42% |
| -RESERVES & DEFERRALS | | | | |
| A/C 3100 Accum Depr-Tel Pft in Svc | | | | |
| Support Assets | \$43,779 | \$50,885 | \$47,332 | 16.23% |
| COE - Switching | \$115,468 | \$21,789 | \$68,629 | -81.13% |
| COE - Transmission | \$94,190 | \$109,962 | \$102,076 | 16.74% |
| Info Orig/Term Equip | \$4,327 | \$0 | \$2,164 | -100.00% |
| Cable & Wire Facilities | \$637,432 | \$704,047 | \$670,739 | 10.45% |
| Equal Access Accum Depr. | \$0 | \$0 | \$0 | 0.00% |
| A/C 3200 Accum Depr-Plant Future Use | | | | |
| | \$0 | \$0 | \$0 | 0.00% |
| TOTAL ACCUM DEPRECIATION TPIS | \$895,196 | \$886,683 | \$890,939 | -0.95% |
| - Customer Deposits | | | | |
| A/C 4040 Customer Deposits | \$0 | \$0 | \$0 | 0.00% |
| - Deferred Income Taxes | | | | |
| A/C 4100 Net Current Def Op Inc TAXES | \$0 | \$0 | \$0 | 0.00% |
| A/C 4340 Net Noncurrent Def OIC TAXES | \$0 | \$0 | \$0 | 0.00% |
| TOTAL DEFERRED TAXES | \$0 | \$0 | \$0 | 0.00% |
| TOTAL RESERVES & DEFERRED TAXES | \$895,196 | \$886,683 | \$890,939 | -0.95% |
| TOTAL NET PLANT INCL CWC (Less A/C 4040) | \$1,347,948 | \$1,724,712 | \$1,536,330 | 27.95% |

Bridgewater/Canistota Telephone Company

EXPENSES

| | 1996 | 1997 | % Change |
|---|-----------------|------------------|----------------|
| —PLANT SPECIFIC EXPENSES— | | | |
| A/C 6110 Network Support Expenses | | | |
| Joint | \$0 | \$0 | 0.00% |
| Direct Assignment | \$0 | \$0 | 0.00% |
| A/C 6120 General Support Expenses | | | |
| Joint | \$3,349 | \$6,492 | 93.85% |
| Direct Assignment | \$0 | \$0 | 0.00% |
| A/C 6210, 6220, 6230 Central Office Eqpt. | \$12,508 | \$76,794 | 513.96% |
| A/C 6210 Equal Access Expense | \$0 | \$0 | 0.00% |
| A/C 6310 IOT Equip Expenses | | | |
| Cat 1-Other IOT Eqpt Expense | \$0 | \$0 | 0.00% |
| Cat 2-Cust Prem Eqpt Expense | \$0 | \$0 | 0.00% |
| A/C 6410 C&WF Expenses | \$20,507 | \$51,088 | 149.12% |
| TOTAL PLANT SPECIFIC EXPENSES | \$36,364 | \$134,374 | 269.52% |
| —PLANT NON - SPECIFIC EXPENSES— | | | |
| A/C 6510 Other Prop Plant & Eq Expense | \$0 | \$0 | 0.00% |
| A/C 6530 Network Operations Expense | \$2,780 | \$4,923 | 77.09% |
| A/C 6540 Access Expense (IX Carriers) | \$0 | \$0 | 0.00% |
| A/C 6560 Depreciation and Amort Expenses | | | |
| Depreciation Expense TPIS | | | |
| Support Assets | \$5,926 | \$7,106 | 19.91% |
| COE-Switching | \$36,642 | \$38,240 | 4.36% |
| COE-Equal Access Switching | \$0 | \$0 | 0.00% |
| COE-Transmission | \$16,806 | \$15,772 | -6.15% |
| Info Orig/Term Equip | \$219 | \$128 | -41.88% |
| Cable & Wire Facilities | \$30,346 | \$65,546 | 116.00% |
| A/C 6562 Property Held For Future Use | \$0 | \$0 | 0.00% |
| A/C 6565 Amort Exp - Other | \$0 | \$0 | 0.00% |
| TOTAL PLT NON-SPECIFIC EXPENSES | \$92,719 | \$131,715 | 42.06% |

Bridgewater/Canistota Telephone Company

EXPENSES

| | 1996 | 1997 | % Change |
|--|------------------|------------------|-----------------|
| ---CUSTOMER OPERATION EXPENSES--- | | | |
| A/C 6610 Marketing Expense | \$0 | \$0 | 0.00% |
| A/C 6620 Services Expense | | | |
| Published Directory Listings: | | | |
| Classified | \$0 | \$0 | 0.00% |
| Alpha | \$0 | \$1,838 | 100.00% |
| Foreign | \$0 | \$0 | 0.00% |
| Call Completion - Operator Assist | \$0 | \$12,098 | 100.00% |
| All Other, Local Business Office Expense | | | |
| Cat 1 - LBOE EU Sv Order Pros | \$11,654 | \$23,680 | 103.19% |
| Cat 1 - LBOE EU Prnt & Collect | \$0 | \$0 | 0.00% |
| Cat 1 - LBOE EU Billing Inquiry | \$0 | \$0 | 0.00% |
| Cat 1 - LBOE EU Coun Collect | \$0 | \$0 | 0.00% |
| Cat 1 - LBOE EU End Ur t Access | \$0 | \$0 | 0.00% |
| Total Cat 1 LBOE | \$11,654 | \$23,680 | 103.19% |
| Cat 2 Message Processing | \$0 | \$0 | 0.00% |
| Cat 2 Other Billing & Collecting | \$0 | \$0 | 0.00% |
| Cat 2 CABS | \$0 | \$0 | 0.00% |
| Total Cat 2 LBOE | \$0 | \$0 | 0.00% |
| Cat 3 Other LBOE | \$0 | \$0 | 0.00% |
| TOTAL CUSTOMER OPER. EXPENSE | \$11,654 | \$37,616 | 222.77% |
| | | | |
| ---CORPORATE OPERATIONS EXPENSES--- | | | |
| A/C 6710 Exec & Planning Expense | | | |
| All Other | \$0 | \$194,075 | 100.00% |
| Direct Assignment | \$0 | \$0 | 0.00% |
| A/C 6720 Gen'l & Administration Expense | | | |
| All Other | \$19,145 | \$57,146 | 198.49% |
| Direct Assignment | \$0 | \$0 | 0.00% |
| Interstate Amt. of Dr Assignment | \$0 | \$0 | 0.00% |
| TOTAL CORPORATE EXPENSE | \$19,145 | \$251,221 | 1212.20% |
| | | | |
| --- Operating Taxes Exc. ICT and Gross Receipts | | | |
| A/C 7200 Operating Taxes Exc. ICT & Gross Receipts Taxes | \$0 | \$0 | 0.00% |
| TOTAL OPER. EXPENSE EXC. CONTRIB. & ICT | \$159,882 | \$554,926 | 247.08% |

Bridgewater/Canistota Telephone Company

EXPENSES

| | 1996 | 1997 | % Change |
|--|----------|-----------|----------|
| — Non-operating Income & Expenses | | | |
| A/C 7300 Non-operating Income & Expenses | \$0 | \$0 | 0.00% |
| Funds Used During Construction Contributions | \$0 | \$0 | 0.00% |
| — Interest & Related Items | | | |
| A/C 7500 Interest & Related Items | | | |
| A/C 7510 Interest On Funded Debt | \$85,499 | \$174,924 | 104.59% |
| A/C 7540 Interest on Customer Deposits | \$0 | \$0 | 0.00% |
| — Miscellaneous Items | | | |
| Investment Tax Credit Amortization | \$0 | \$0 | 0.00% |
| Capitalized Payroll | \$0 | \$0 | 0.00% |
| Depreciation Adjustments | \$0 | \$0 | 0.00% |

Summary of Operating Expenses

| | | | |
|--|-----------|-----------|----------|
| Total Plant Specific Expenses | \$36,364 | \$134,374 | 269.52% |
| Total Non-Plant Specific Expenses | \$92,719 | \$131,715 | 42.06% |
| Total Customer Operating Expenses | \$11,654 | \$37,616 | 222.77% |
| Total Corporate Expenses | \$19,145 | \$251,221 | 1212.20% |
| A/C 7200 Oper. Taxes Excluding ICT | \$0 | \$0 | 0.00% |
| Contributions | \$0 | \$0 | 0.00% |
| Total Operating Expenses (Excl. ICT) | \$159,882 | \$554,926 | 247.08% |

Bridgewater/Canistota Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

| | PRGRM LINE # | 1997 AS ACCOUNTED | DEBITS | CREDITS | COST STUDY INPUTS |
|---|-----------------|----------------------|------------------|--------------------|----------------------|
| —GENERAL SUPPORT FACILITIES— | | | | | |
| A/C 2110 Land & Support Assets | | | | | |
| Support Assets | 92 | \$238,072 | | | \$238,072 |
| Land | 93 | \$6,050 | | | \$6,050 |
| TOTAL GSF | | <u>\$244,122</u> | <u>\$0</u> | <u>\$0</u> | <u>\$244,122</u> |
| —CENTRAL OFFICE EQUIPMENT— | | | | | |
| A/C 2210 COE-Switching | | | | | |
| Cat 2-Tandem Switching | 98 | \$0 | | | \$0 |
| Cat 3-Equal Access Investment | 99 | \$0 | | | \$0 |
| Cat 3-Local Switching | 100 | \$527,382 | \$314,128 | 1 (\$527,382) | \$314,128 |
| A/C 2250 COE-Transmission | | | | | |
| Cat 4.1-Exchange Circuit | | | | | |
| 4.11 Exch Wideband | 104 | \$0 | | | \$0 |
| 4.12 Ex Trk EAS | 105 | \$0 | | | \$0 |
| 4.13 Ex Line | 106 | \$0 | \$112,203 | 1 | \$112,203 |
| Cat 4.2-Interexchange | | | | | |
| 4.22 Interexchange Wideband | 108 | \$0 | | | \$0 |
| 4.23 All Other | 109 | \$247,383 | \$348,433 | 1 (\$247,383) | \$348,433 |
| Cat 4.3-Host/Remote | | | | | |
| Joint | 111 | \$0 | | | \$0 |
| WATS | 112 | \$0 | | | \$0 |
| TOTAL COE | | <u>\$774,764</u> | <u>\$774,764</u> | <u>(\$774,764)</u> | <u>\$774,764</u> |
| —INFORMATION ORIG/TERM EQUIPMENT — | | | | | |
| A/C 2310 Info Orig/Term Equipment | | | | | |
| Cat 1-Other IOT Equip | 116 | \$2,164 | | (\$2,164) | \$0 |
| Direct Assignment | 117 | \$0 | | | \$0 |
| Cat 2-Cust Premium Equip | 118 | \$0 | | | \$0 |
| TOTAL IOT | | <u>\$2,164</u> | <u>\$0</u> | <u>(\$2,164)</u> | <u>\$0</u> |

Bridgewater/Canistota Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

| | PRGRM LINE # | 1997 AS ACCOUNTED | DEBITS | CREDITS | COST STUDY INPUTS |
|---|-----------------|----------------------|------------------|---------|----------------------|
| —CABLE & WIRE FACILITIES— | | | | | |
| AC 2410 Cable & Wire Facilities | | | | | |
| Cat 1-Each Line Cat. 1.3 | 122 | \$1,204,959 | \$9,461 | 2 | \$1,214,420 |
| Cat 2 Wideband & Each Trunk | | | | | |
| Wideband Exchange | 123 | \$0 | | | \$0 |
| EAS Trunk | 124 | \$0 | | | \$0 |
| Cat 3 Interexchange Trunk | | | | | |
| Wideband | 125 | \$0 | | | \$0 |
| Interexchange Trunk | 126 | \$162,818 | \$153,358 | 2 | (\$162,819) 2 |
| Cat 4-Host/Remote C&WT | | | | | |
| Joint | 129 | \$0 | | | \$0 |
| WATS | 130 | \$0 | | | \$0 |
| TOTAL CWF | | <u>\$1,367,777</u> | <u>\$162,819</u> | | <u>(\$162,819)</u> |
| TOTAL TPIS | | <u>\$2,388,827</u> | <u>\$937,583</u> | | <u>(\$939,747)</u> |
| AC 2002 Prop Held for Future Use | | | | | |
| | 133 | \$0 | | | \$0 |
| AC 2003 P/B Under Construction | | | | | |
| | 135 | \$35,946 | | | \$35,946 |
| AC 2005 Telephone Plant Adjustment | | | | | |
| | 138 | \$0 | | | \$0 |
| TOTAL PLANT | | <u>\$2,424,773</u> | <u>\$937,583</u> | | <u>(\$939,747)</u> |
| —OTHER PLANT ACCOUNTS, MATERIALS & SUPPLIES— | | | | | |
| AC 1220 Materials & Supplies | | | | | |
| | 144 | \$2,496 | | | \$2,496 |
| AC 1402 RTB Stock | | | | | |
| | 146 | \$0 | | | \$0 |
| Cash Working Capital | | | | | |
| | 148 | \$0 | | | \$0 |
| AC 2690 Intangibles | | | | | |
| | 150 | \$0 | | | \$0 |
| TOTAL TELEPHONE PLANT | | <u>\$2,427,269</u> | <u>\$937,583</u> | | <u>(\$939,747)</u> |

Bridgewater/Canistota Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

| | PRGRM LINE # | 1997 AS ACCOUNTED | DEBITS | CREDITS | COST STUDY INPUTS |
|---|-----------------|----------------------|------------------|--------------------|----------------------|
| --RESERVES & DEFERRALS-- | | | | | |
| A/C 3100 Accum Depo-Tel Plt in Svc | | | | | |
| Support Assets | 157 | \$47,332 | | | \$47,332 |
| COE - Switching | 158 | \$68,629 | \$39,102 7 | (\$68,629) 7 | \$39,102 |
| COE - Transmission | 159 | \$102,076 | \$131,602 7 | (\$102,076) 7 | \$131,602 |
| Info Orig/Term Equip | 160 | \$2,164 | | (\$2,164) 8 | \$0 |
| Cable & Wire Facilities | 161 | \$670,739 | | | \$670,739 |
| Equip Access Accum: Depr | 162 | \$0 | | | \$0 |
| A/C 3200 Accum Depo-Plant Future Use | | \$0 | | | \$0 |
| TOTAL ACCUM DEPRECIATION TPIS | | \$890,940 | \$170,705 | (\$172,869) | \$888,776 |
| --CUSTOMER DEPOSITS | | | | | |
| A/C 4040 Customer Deposits | 177 | \$0 | | | \$0 |
| --DEFERRED INCOME TAXES | | | | | |
| A/C 4100 Net Current Def Op Inc Taxes | 165 | \$0 | | | \$0 |
| A/C 4340 Net Noncurrent Def OIC Taxes | 166 | \$0 | | | \$0 |
| TOTAL RESERVES & CUST DEPOSITS | | \$890,940 | \$170,705 | (\$172,869) | \$888,776 |
| TOTAL NET PLANT | | \$1,116,322 | \$766,878 | (\$766,878) | \$1,116,322 |

Bridgewater/Canistota Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

| | PRGRM LINE # | 1997 AS ACCOUNTED | DEBITS | CREDITS | COST STUDY INPUTS |
|--|-----------------|----------------------|-----------------|-------------------|----------------------|
| -- PLANT SPECIFIC EXPENSES -- | | | | | |
| A/C 6110 Network Support Expenses | | | | | |
| Joint | 196 | \$0 | | | \$0 |
| Direct Assignment | 197 | \$0 | | | \$0 |
| A/C 6120 General Support Expenses | | | | | |
| Joint | 200 | \$6,492 | | | \$6,492 |
| Direct Assignment | 201 | \$0 | | | \$0 |
| A/C 6210, 6220, 6230 Central Office Eqpt | 203 | \$76,794 | | | \$76,794 |
| A/C 6210 Equal Access Expense | 204 | \$0 | | | \$0 |
| A/C 6310 IOT Equip Expenses | | | | | |
| Cat 1-Other IOT Eqpt Expense | 206 | \$0 | | | \$0 |
| Cat 2-Cust Prem Eqpt Expense | 207 | \$0 | | | \$0 |
| A/C 6410 CAWF Expenses | 209 | \$51,088 | | | \$51,088 |
| TOTAL PLANT SPECIFIC EXPENSES | | \$134,374 | \$0 | \$0 | \$134,374 |
| -- PLANT NON - SPECIFIC EXPENSES -- | | | | | |
| A/C 6510 Other Prop Plant & Eq Expense | 212 | \$0 | | | \$0 |
| A/C 6530 Network Operations Expense | 214 | \$4,923 | | | \$4,923 |
| A/C 6540 Access Expense (IX Carriers) | 216 | \$0 | | | \$0 |
| A/C 6560 Depreciation and Amort Expenses | | | | | |
| Depreciation Expense TPIS | | | | | |
| Support Assets | 220 | \$7,106 | | | \$7,106 |
| COE-Switching | 221 | \$38,240 | \$24,790 | (\$38,240) | \$24,790 |
| Equal Access Depreciation Expense | 222 | \$0 | | | \$0 |
| COE-Transmission | 223 | \$15,772 | \$29,222 | (\$15,772) | \$29,222 |
| Info Orig/Term Equip | 224 | \$128 | | (\$128) | (\$0) |
| Cable & Wire Facilities | 225 | \$65,546 | | | \$65,546 |
| A/C 6562 Property Held For Future Use | 226 | \$0 | | | \$0 |
| A/C 6565 Amort Exp - Other | 227 | \$0 | | | \$0 |
| TOTAL PLT NON SPECIFIC EXPENSES | | \$131,715 | \$54,012 | (\$54,140) | \$131,587 |

Bridgewater/Canistota Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

| | PRGRM LINE # | 1997 AS ACCOUNTED | DEBITS | CREDITS | COST STUDY INPUTS |
|--|-----------------|----------------------|-----------------|-------------------|----------------------|
| —CUSTOMER OPERATION EXPENSES— | | | | | |
| AC 6610 Marketing Expense | 230 | \$0 | | | \$0 |
| AC 6620 Services Expense | | | | | |
| Published Directory Listings: | | | | | |
| Classified | 235 | \$0 | | | \$0 |
| Alpha | 236 | \$1,838 | \$2,040 3 | (\$1,838) 3 | \$2,040 |
| Foreign | 237 | \$0 | | | \$0 |
| Call Completion - Operator Assist | 238 | \$12,098 | \$907 3 | (\$12,098) 3 | \$907 |
| All Other, Local Business Office Expense | | | | | |
| Cat 1 - LBOE EU Sv Order Pros | 239 | \$23,680 | \$4,166 3 | (\$23,680) 3 | \$4,166 |
| Cat 1 - LBOE EU Post & Collect | 240 | \$0 | \$3,805 3 | | \$3,805 |
| Cat 1 - LBOE EU Billing Inquiry | 241 | \$0 | \$377 3 | | \$377 |
| Cat 1 - LBOE EU Com Collect | 242 | \$0 | | | \$0 |
| Cat 1 - LBOE EU End User Access | 243 | \$0 | | | \$0 |
| Total Cat 1 LBOE | | \$23,680 | \$8,348 | (\$23,680) | \$8,348 |
| Cat 2 Message Processing | 245 | \$0 | \$4,784 3 | | \$4,784 |
| Cat 2 Other Billing & Collecting | 246 | \$0 | \$7,285 3 | | \$7,285 |
| Cat 2 CABS | 247 | \$0 | \$14,252 3 | | \$14,252 |
| Total Cat 2 LBOE | | \$0 | \$26,321 | \$0 | \$26,321 |
| Cat 3 Other LBOE | 249 | \$0 | \$100 4 | | \$100 |
| TOTAL CUSTOMER OPER. EXPENSE | | \$37,616 | \$37,716 | (\$37,616) | \$37,716 |
| —CORPORATE OPERATIONS EXPENSES— | | | | | |
| AC 6710 Exec & Planning Expense | | | | | |
| All Other | 253 | \$194,075 | | | \$194,075 |
| Direct Assignment | 254 | \$0 | | | \$0 |
| AC 6720 Genl & Administration Expense | | | | | |
| All Other | 259 | \$57,146 | | (\$22,132) 4,5 | \$35,014 |
| Direct Assignment | 260 | \$0 | \$22,032 5 | | \$22,032 |
| Intestate Amt. of Dr Assignment | 263 | \$0 | \$1,191 5 | | \$1,191 |
| TOTAL CORPORATE EXPENSE | | \$251,221 | \$22,032 | (\$22,132) | \$251,121 |

Bridgewater/Canistota Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

| | PRGRM LINE # | 1997 AS ACCOUNTED | DEBITS | CREDITS | COST STUDY INPUTS |
|--|-----------------|----------------------|------------------|--------------------|----------------------|
| 7200 Operating Taxes Exc. ICT | | | | | |
| A/C 7200 Operating Taxes Exc. ICT & Gross Receipts | 265 | \$0 | \$85 | 6 | \$85 |
| | | \$0 | | | \$0 |
| TOTAL OPER. EXPENSE EXC. CONTRIB. & ICT | | <u>\$554,926</u> | <u>\$113,845</u> | <u>(\$113,888)</u> | <u>\$554,882</u> |
| -- Non-operating Income & Expenses | | | | | |
| A/C 7300 Non-operating Income & Expenses | | | | | |
| Funds Used During Construction | 180 | \$0 | | | \$0 |
| Contributions | 181 | \$0 | | | \$0 |
| -- Interest & Related Items | | | | | |
| A/C 7500 Interest & Related Items | | | | | |
| A/C 7510 Interest On Funded Debt | 185 | \$174,924 | | | \$174,924 |
| A/C 7540 Interest on Customer Deposits | 186 | \$0 | | | \$0 |
| -- Miscellaneous Items | | | | | |
| Investment Tax Credit Amortization | 187 | \$0 | | | \$0 |
| Capitalized Payroll | 189 | \$0 | | | \$0 |
| Depreciation Adjustments | 191 | \$0 | | | \$0 |

Summary of Operating Expenses

| | | | | |
|--|------------------|------------------|--------------------|------------------|
| Total Plant Specific Expenses | <u>\$134,374</u> | <u>\$0</u> | <u>\$0</u> | <u>\$134,374</u> |
| Total Non-Plant Specific Expenses | <u>\$131,715</u> | <u>\$54,012</u> | <u>(\$54,140)</u> | <u>\$131,587</u> |
| Total Customer Operating Expenses | <u>\$37,616</u> | <u>\$37,716</u> | <u>(\$37,616)</u> | <u>\$37,716</u> |
| Total Corporate Expenses | <u>\$251,221</u> | <u>\$22,032</u> | <u>(\$22,132)</u> | <u>\$251,121</u> |
| A/C 7200 Oper. Taxes Excluding ICT | <u>\$0</u> | <u>\$85</u> | <u>\$0</u> | <u>\$85</u> |
| Contributions | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Total Operating Expenses (Excl. ICT) | <u>\$554,926</u> | <u>\$113,845</u> | <u>(\$113,888)</u> | <u>\$554,882</u> |

Bridgewater/Canistota Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

| PRGRM | 1997 | | | | COST STUDY |
|--------|--------------|--------|---------|--|------------|
| LINE # | AS ACCOUNTED | DEBITS | CREDITS | | INPUTS |

Notes: Adjustments to Accounted Data

Note 1: Adjustments for Common & Power Investment based on CPR records

Note 2: Adjustments for Interexchange OSP Investment

Note 3: Distribution of Account 6610 & 6620 based on time study (1997)

Note 4: Reclassify TRS to Account 6620 Cat 3

Note 5: Direct assignment of TELECOM expenses

Note 6: FCC Reg Fee, refer to NECA letter dated 8/19/97

Note 7: Adjustment of Reserve on Depreciation Expense associated with CPR Adjustments

Note 8: Adjustment for Deregulated Payphones

CENTRAL OFFICE EQUIPMENT COSTS (AVERAGE)

Company Bridgewater-Canistota Telephone Company

Study Date 1/1/97 - 12/31/97

| COE Categories: | Total COE Book Costs as of 12/31/96 | Total COE Book Costs as of 12/31/97 | Average Book Costs |
|-----------------|---|---|--------------------------|
| Category 2 | <u> </u> | <u> </u> | <u> \$0</u> |
| Category 3 | <u> \$277,448 </u> | <u> \$350,808 </u> | <u> \$314,128 </u> |
| Category 4.11 | <u> </u> | <u> </u> | <u> \$0</u> |
| Category 4.12 | <u> </u> | <u> </u> | <u> \$0</u> |
| Category 4.13 | <u> \$90,019 </u> | <u> \$134,388 </u> | <u> \$112,203 </u> |
| Category 4.22 | <u> </u> | <u> </u> | <u> \$0</u> |
| Category 4.23 | <u> \$356,266 </u> | <u> \$340,600 </u> | <u> \$348,433 </u> |
| Category 4.3 | <u> \$0 </u> | <u> \$0 </u> | <u> \$0 </u> |
| Total COE | <u> \$723,733 </u> | <u> \$825,796 </u> | <u> \$774,764 </u> |

BURIED CABLE BREAKDOWN

Company Bridgewater-Canistota Telephone Company

Study Dates 1/1/97-12/31/97

| | Category 1 | Category 2 | Category 3 | Category 4 | Total C&W |
|------------|--------------------|------------|------------------|------------|--------------------|
| 1996 Total | <u>\$1,175,225</u> | <u>\$0</u> | <u>\$25,064</u> | <u>\$0</u> | <u>\$1,200,289</u> |
| 1997 Total | <u>\$1,253,616</u> | <u>\$0</u> | <u>\$281,651</u> | <u>\$0</u> | <u>\$1,535,266</u> |
| Average | <u>\$1,214,420</u> | <u>\$0</u> | <u>\$153,357</u> | <u>\$0</u> | <u>\$1,367,777</u> |

* Special study to identify Cat 3 for study

COMPANY BRIDGEWATER CANISTOTA

1996

DISTRIBUTION OF ACCOUNT 6610 & 6620

| ACCT NO. | | TIME STUDY HOURS | % TOTAL HOURS | DISTRIBUTION OF UNIDENTIFIED | IDENTIFIED EXPENSE | DISTRIBUTE EXPENSE |
|----------|---|------------------|---------------|------------------------------|--------------------|--------------------|
| 6610 | MARKETING EXPENSE | | | | \$0 | \$0 |
| 6620 | PUBLISHED DIRECTORY ALPHA (Directories) | | | | \$2,040 | \$2,040 |
| 6620 | CALL COMPLETION (Operator Expense) | | | | \$907 | \$907 |
| 6620 | END USER SERVICE ORDER PROCESSING (Cat 1) | 66.25 | 49.07% | \$4,166 | | \$4,166 |
| 6620 | END USER PAYMENT COLLECTION (Cat 1) | 60.50 | 44.81% | \$3,805 | | \$3,805 |
| 6620 | END USER BILLING INQUIRY (Cat 1) | 6.00 | 4.44% | \$377 | | \$377 |
| 6620 | END USER COIN COLLECTION (Cat 1) | 0.00 | 0.00% | \$0 | | \$0 |
| 6620 | END USER ACCESS (Cat 1) (Not Used) | 0.00 | 0.00% | \$0 | | \$0 |
| 6620 | MESSAGE PROCESSING (Cat 2) | 0.00 | 0.00% | \$0 | \$4,784 | \$4,784 |
| 6620 | CABS (Cat 2) | 2.25 | 1.67% | \$142 | \$14,110 | \$14,252 |
| 6620 | OTHER BILLING & COLLECTION (Cat 2) | 0.00 | 0.00% | \$0 | \$7,285 | \$7,285 |
| 6620 | CUSTOMER SERVICE EXP (Not Used) | 0.00 | 0.00% | \$0 | | \$0 |
| | TOTAL | 135.00 | 100.00% | \$8,490 | \$29,126 | \$37,616 |

6620 AS ACCOUNTED
 IDENTIFIED EXP
 UNIDENTIFIED TOTAL

\$37,616
 \$29,126
 \$8,490

BRIDGEWATER CANISTOTA TEL. CO.
6620 EXPENSES
1996
from US West Netting Statement

| | 6620 | | |
|-------|------------|------------|------------|
| | Call | | |
| | Completion | CABS | ALPHA |
| Jan | \$0.00 | \$269.19 | \$169.40 |
| Feb | \$0.00 | \$307.27 | \$189.35 |
| Mar | \$0.00 | \$302.00 | \$187.95 |
| Apr | \$0.00 | \$280.89 | \$158.20 |
| May | \$0.00 | \$285.57 | \$155.05 |
| Jun | \$141.54 | \$294.62 | \$151.55 |
| Jul | \$132.94 | \$285.38 | \$167.30 |
| Aug | \$150.03 | \$282.97 | \$140.00 |
| Sep | \$174.00 | \$327.72 | \$190.40 |
| Oct | \$93.89 | \$286.62 | \$222.95 |
| Nov | \$73.07 | \$295.93 | \$156.45 |
| Dec | \$142.00 | \$265.24 | \$151.55 |
| Total | \$907.47 | \$3,483.40 | \$2,040.15 |

TRAFFIC STUDY

04/18/98

COMPANY:

BRIDGEWATER CANISTOTA INDEPENDENT TELEPHONE COMPANY

YEAR:

1997

| FACTORS | IS-ER | IS-RA | ST-ER | ST-RA | LOCAL |
|---------------------------|----------|-------|----------|----------|----------|
| SLU | 0.409850 | X | 0.000854 | 0.189021 | 0.400275 |
| SPF | 0.250000 | X | 0.001124 | 0.248876 | 0.500000 |
| WEIGHTED DEM | 0.850000 | X | 0.000000 | 0.000000 | 0.150000 |
| CONVERSATION MINUTES | 0.646185 | X | 0.001504 | 0.352311 | X |
| CONVERSATION MINUTE MILES | 0.647927 | X | 0.001567 | 0.350506 | X |

TRAFFIC STUDY

COMPANY: BRIDGEWATER CANISTOTA INDEPENDENT TELEPHONE COMPANY
 YEAR: 1997

SLU DEVELOPMENT

| | IS-ER | IS-RA | ST-ER | ST-RA | EXCHANG | TOTAL |
|-------------------|-----------|----------|----------|-----------|-----------|-----------|
| FGC | 3,202,464 | 311 | 7,797 | 1,579,235 | 3,656,578 | 8,446,386 |
| FGA, FGB, INT 800 | 541,257 | 0 | 0 | 147,493 | 0 | 688,750 |
| SLU MOU | 3,743,721 | 311 | 7,797 | 1,726,729 | 3,656,578 | 9,135,137 |
| SLU | 0.409816 | 0.000034 | 0.000854 | 0.189021 | 0.400275 | 1.000000 |

SPF DEVELOPMENT

FROZEN SUBSCRIBER PLANT FACTOR (SPF) 1981

Company BRIDGEWATER CANISTOTA INDEPENDENT TELEPHONE COMPANY
 DATE PRINTED 04/18/98

| | | |
|---|----------------|----------|
| 1 | INTERSTATE | 0.250000 |
| 2 | INTRASTATE | 0.250000 |
| 3 | TOLL | 0.500000 |
| 4 | LOCAL | 0.500000 |
| | 1993 AND AFTER | 0.250000 |

SINCE THE INTRASTATE TOLL SPF IS FROZEN BASED ON 1981,
 THE SHIFT IS TO OR FROM LOCAL.

| | SLU MIN | % TOTAL | FROZEN STATE SPF |
|-------|---------|----------|------------------------|
| ST-ER | 7797.09 | 0.004495 | 0.001124 |
| ST-RA | 1726729 | 0.995505 | 0.248876 |
| | 1734526 | 1.000000 | 0.250000 |
| LOCAL | | | 0.500000 |

TRAFFIC STUDY

COMPANY:
YEAR:BRIDGEWATER CANISTOTA INDEPENDENT TELEPHONE COMPANY
1997PHASED DEM FACTORS
INTERSTATE

PART 36.125 (f)

| B COMP. 1991 | | 1 1988 | 3 1989 | 5 1990 | |
|-----------------------------|-------------------------|-----------|-----------|------------|----------|
| 1 | ER | 0.409816 | 0.122945 | 0.368834 | 0.614724 |
| 2 | RA | 0.000034 | 0.000010 | 0.000031 | 0.000051 |
| 3 | TOTAL | 0.409850 | 0.122955 | 0.368865 | 0.614775 |
| A COMP 1987 | | 9 | 7 | 5 | |
| 4 | LDI | 0.226839 | 0.204155 | 0.158787 | 0.113420 |
| 5 | A + B LDI DEM | 0.327110 | 0.527652 | 0.728195 | |
| | | | | STUDY YEAR | 1997 |
| 6 | INTERSTATE B COMP | | | | 0.850000 |
| 7 | INTRASTATE (1 - LINE 6) | | | | 0.150000 |
| INTRASTATE | | WEIGHT | UNADJ | ADJ | |
| | | FACTOR | DEM | FACTOR | |
| 8 | ER | 0.000854 | 2.000000 | 0.001708 | 0.004498 |
| 9 | RA | 0.189021 | 2.000000 | 0.378042 | 0.995502 |
| 10 | TOTAL | 0.189875 | | 0.379750 | 1.000000 |
| 11 | TOTAL INTERSTATE | | | | 0.850000 |
| 12 | TOTAL LDS ER | | | | 0.000000 |
| 13 | TOTAL LDS RA | | | | 0.000000 |
| 14 | TOTAL WEIGHTED DEM | | | | 0.850000 |
| WEIGHTED DEM FOR COST STUDY | | | | | 0.850000 |
| 15 | TOTAL INTERSTATE | | | | 0.000000 |
| 16 | TOTAL LDS ER | | | | 0.000000 |
| 17 | TOTAL LDS RA | | | | 0.150000 |
| 18 | LOCAL | | | | 1.000000 |

TRAFFIC STUDY

COMPANY: BRIDGEWATER CANISTOTA INDEPENDENT TELEPHONE COMPANY
 YEAR: 1997

CM STUDY FACTORS

| | IS-ER | IS-RA | ST-ER | ST-RA | TOTAL |
|---------------------|-----------|----------|----------|-----------|-----------|
| CANISTOTA MINUTES | 3,498,805 | 291 | 7,287 | 1,947,811 | 5,454,194 |
| BRIDGEWATER MINUTES | 1,714,948 | 154 | 4,847 | 895,057 | 2,615,006 |
| COMPANY TOTAL | 5,213,753 | 445 | 12,134 | 2,842,868 | 8,069,200 |
| CM FACTOR | 0.646130 | 0.000055 | 0.001504 | 0.352311 | 1.000000 |

CMM STUDY FACTORS

| | IS-ER | IS-RA | ST-ER | ST-RA | TOTAL |
|------------------------|-------------|----------|----------|------------|-------------|
| CANISTOTA MINUTES | 3,498,805 | 291 | 7,287 | 1,947,811 | 5,454,194 |
| AVERAGE ROUTE MILES | 17.10 | 17.10 | 17.10 | 17.10 | |
| MINUTE MILES | 59,829,566 | 4,976 | 124,608 | 33,307,568 | 93,266,718 |
| BRIDGEWATER MINUTES | 1,714,948 | 154 | 4,847 | 895,057 | 2,615,006 |
| AVERAGE ROUTE MILES | 28.67 | 28.67 | 28.67 | 28.67 | |
| MINUTE MILES | 49,167,559 | 4,415 | 138,963 | 25,661,284 | 74,972,221 |
| TOTAL MIN OF USE MILES | 108,997,125 | 9,391 | 263,571 | 58,968,852 | 168,238,939 |
| CMM FACTOR | 0.647871 | 0.000056 | 0.001567 | 0.350506 | 1.000000 |

TRAFFIC STUDY

COMPANY: BRIDGEWATER CANISTOTA INDEPENDENT TELEPHONE COMPANY
 YEAR: 1997

CM STUDY FACTORS

| | IS-ER | IS-RA | ST-ER | ST-RA | TOTAL |
|---------------------|-----------|----------|----------|-----------|-----------|
| CANISTOTA M:NUITES | 3,498,805 | 291 | 7,287 | 1,947,811 | 5,454,194 |
| BRIDGEWATER MINUTES | 1,714,948 | 154 | 4,847 | 895,057 | 2,615,006 |
| COMPANY TOTAL | 5,213,753 | 445 | 12,134 | 2,842,868 | 8,069,200 |
| CM FACTOR | 0.646130 | 0.000055 | 0.001504 | 0.352311 | 1.000000 |

CMM STUDY FACTORS

| | IS-ER | IS-RA | ST-ER | ST-RA | TOTAL |
|------------------------|-------------|----------|----------|------------|-------------|
| CANISTOTA MINUTES | 3,498,805 | 291 | 7,287 | 1,947,811 | 5,454,194 |
| AVERAGE ROUTE MILES | 17.10 | 17.10 | 17.10 | 17.10 | |
| MINUTE MILES | 59,829,566 | 4,976 | 124,608 | 33,307,568 | 93,266,718 |
| BRIDGEWATER MINUTES | 1,714,948 | 154 | 4,847 | 895,057 | 2,615,006 |
| AVERAGE ROUTE MILES | 28.67 | 28.67 | 28.67 | 28.67 | |
| MINUTE MILES | 49,167,559 | 4,415 | 138,963 | 25,661,284 | 74,972,221 |
| TOTAL MIN OF USE MILES | 108,997,125 | 9,391 | 263,571 | 58,966,852 | 168,238,939 |
| CMM FACTOR | 0.647871 | 0.000056 | 0.001567 | 0.350506 | 1.000000 |

COST STUDY LOOP WORKSHEET

Company BRIDGEWATER/CANISTOTA TEL CO

YEAR 1997

PERIOD 1/1/97 - 12/31/97

| <u>MESSAGE TELEPHONE LOOPS:</u> | <u>Yr. End 1996</u> | <u>Yr. End 1997</u> | <u>AVG</u> |
|---|-------------------------|-------------------------|------------|
| 1 Customer service loops | <u>933 *</u> | <u>936 *</u> | <u>935</u> |
| 2 Company official loops | <u>4</u> | <u>8</u> | <u>6</u> |
| 3 Concession service loops | <u>0</u> | <u>1</u> | <u>1</u> |
| 4 Coin telephone (public) loops | <u>6</u> | <u>0</u> | <u>3</u> |
| 5 Fixed mobile/BETRS/RRS service loops | <u>0</u> | <u>0</u> | <u>0</u> |
| 6 All other joint message service loops | <u>0</u> | <u>0</u> | <u>0</u> |
| 7 Total service loops (1 thru 6) | <u>943</u> | <u>945</u> | <u>945</u> |
| 8 Cost study loops (total less official) | <u>939</u> | <u>937</u> | <u>939</u> |
| <u>LOOPS OTHER:</u> | | | |
| 9 Local exchange private line loops | <u>2</u> | <u>0</u> | <u>1</u> |
| 10 State private line loops | <u>4</u> | <u>5</u> | <u>5</u> |
| 11 Interstate private line loops | <u>14</u> | <u>6</u> | <u>10</u> |
| 12 WATS/800 service loops | <u>0</u> | <u>0</u> | <u>0</u> |
| 13 FX loops - closed end only | <u>0</u> | <u>0</u> | <u>0</u> |
| 14 Limited pay toll stations Dedicated level 8/other toll message service | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>GRAND TOTAL:</u> | | | |
| 15 Total all loops | <u>xxx</u> | <u>xxx</u> | <u>961</u> |

* Number of loops from NECA latest view.

CIRCUIT TERMINATION AND MILES

Company Bridgewater-Canistota Telephone Company

Study Date 1/1/97 - 12/31/97

| | Total Company | Joint Message | Interstate | Intrastate InterLata | IntraLata |
|-----------|------------------|------------------|------------|-------------------------|-----------|
| CKT Terms | <u>128</u> | <u>121</u> | <u>5</u> | <u></u> | <u>2</u> |
| CKT Miles | <u>1317</u> | <u>1,257</u> | <u>43</u> | <u></u> | <u>17</u> |

Bridgewater-Canistota Telephone Co

LOCAL EU BILLING DEVELOPMENT
BILLING EXCLUDING ACCESS LINE 55

| | | | |
|---------|--------------------------------|--------------|----------|
| 5001.00 | LOCAL SERVICE REV | \$164,481.00 | |
| 5060.00 | OTHER LOCAL SERVICE REV | \$27,158.00 | |
| 5060.10 | CUSTOM CALLING REV | \$9,413.00 | |
| | | \$201,052.00 | 0.526260 |
| | INTERSTATE TOLL REVENUE | \$66,894.00 | 0.175097 |
| | INTRASTATE INTER-LATA TOLL REV | \$513.00 | 0.001343 |
| | INTRASTATE INTRA-LATA TOLL REV | \$113,580.00 | 0.297299 |
| | | \$180,987.00 | |
| | TOTAL REV | \$382,039.00 | 1.000000 |

South Dakota PUC Cost Study Sheet 'G' Lines 35, 37, and 38.

Bridgewater-Canistota Telephone Co.

RELATIVE TOLL MESSAGES

| | | |
|-------------------------------------|---------|----------|
| INTERSTATE TOLL MESSAGES | 82,258 | 0.251916 |
| INTRASTATE INTER-LATA TOLL MESSAGES | 160 | 0.000490 |
| INTRASTATE INTRA-LATA TOLL MESSAGES | 244,111 | 0.747594 |
| | | |
| TOTAL | 326,529 | 1.000000 |

South Dakota PUC Cost Study Sheet 'G' Line 43

RELATIVE USERS PERCENT

Split one third to each jurisdiction, interstate, intrastate and local
Per NECA cost issue 2.10 dated 5/97

South Dakota PUC Cost Study Sheet 'G' Line 44

CABS PERCENT

Fifty percent to state and interstate
Inter - Intra LATA split based on SLU

South Dakota PUC Cost Study Sheet 'G' Line 45

BRIDGEWATER/CANISTOTA TELEPHONE COMPANY
ACCOUNT 6720 DIRECT ASSIGNMENT

1997

| | INTERSTATE | INTARSTATE | TOTAL |
|---------|------------|-------------|-------------|
| 1ST QTR | \$246.20 | \$9,254.73 | \$9,500.93 |
| 2NDQTR | \$315.00 | \$1,356.44 | \$1,671.44 |
| 3RD QTR | \$315.00 | \$2,526.18 | \$2,841.18 |
| 4THQTR | \$315.00 | \$7,703.14 | \$8,018.14 |
| TOTAL | \$1,191.20 | \$20,840.49 | \$22,031.69 |

**TELEC CONSULTING
RESOURCES**

TC98-081

909 N. 96th Street, Suite 203
Omaha, NE 68114-2508
(402) 398-0062
FAX (402) 398-0065

Cornhusker Plaza
301 South 13th Street, Suite 401
Lincoln, NE 68508
(402) 441-4315
FAX (402) 441-4317

April 28, 1998

Mr. William Bullard Jr.
Executive Director
South Dakota PUC
State Capitol
Pierre, SD 57501-5070

RECEIVED

APR 29 1998

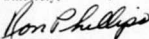
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Bill:

On behalf of the Bridgewater-Canistota Independent Telephone Company we are filing Bridgewater-Canistota's 1997 intrastate switched access cost development package and Bridgewater-Canistota's individual switched access rates developed in accordance with South Dakota Switched Access Rules 20:10:27, 28, 29. This cost study represents the initial filing for the Bridgewater-Canistota Independent Telephone Company. The company was formed by the purchase of the Bridgewater and Canistota exchanges from US West Communications on June 22nd 1996. Bridgewater-Canistota will be included in the Local Exchange Carriers (LECA) consolidated tariff filing. Attachment A is provided in lieu of tariff sheets. Also enclosed is a copy of Bridgewater-Canistota's resolution and certification regarding membership in the Local Exchange Carrier Association (LECA).

If you have any questions concerning this matter Please call on (402) 398-0062.

Sincerely,



Ron Phillips
TELEC Consulting Resources, Inc.

Encl.

ATTACHMENT A

TARIFF SHEET

Bridgewater-Canistota Independent Telephone Company does not currently have its own tariff for switched access services. Bridgewater-Canistota has adopted the National Exchange Carriers Association (NECA) tariff for the interstate jurisdiction and Local Exchange Carrier Association (LECA) tariff for the state jurisdiction.

If Bridgewater-Canistota were to develop and adopt a switched access tariff using its own revenue requirements as determined by the PUC program, the resulting rates would be as follows:

Switched Access Rates per minute (RPM)¹

| | Carrier Common Line | Local Switching | Local Transport |
|-----------------|---------------------------|--------------------|--------------------|
| Originating RPM | \$0.031826 | \$0.000454 | \$0.046199 |
| Terminating RPM | \$0.051052 | \$0.000782 | \$0.046199 |

Note (1) - Same rates for all Feature Groups.

By *Don Phillips*

TELEC Consulting Resource, Inc.

For: Bridgewater-Canistota Independent Telephone Company

RESOLUTION

BE IT RESOLVED that Bridgewater-Canistota Independent Telephone Co. hereby agrees to join the Local Exchange Carriers Association (LECA) and to adopt the LECA Access Tariff on file with the South Dakota Public Utilities Commission (SDPUC), effective upon the approval of its switched access cost study filing and approval of the LECA tariffed rates by the PUC. The adopted LECA tariff, upon taking effect, shall supersede and replace all other switched access tariffs filed, adopted or published by Bridgewater-Canistota Independent Telephone Co. prior to the date of this Resolution.

This Resolution is adopted this 7th day of April, 1998.

CERTIFICATE OF SECRETARY

I, Marilyn M. Haugen, secretary of Bridgewater-Canistota Independent Telephone Co. do hereby certify that the above is a true and correct copy of the Resolution that was adopted on the 7th day of April, 1998, at a duly called or special meeting of the Board of Directors of Bridgewater-Canistota Independent Telephone Co.

Dated this 7th day of April, 1998.

Marilyn M. Haugen
Secretary

**TELEC CONSULTING
RESOURCES**

909 N. 96th Street, Suite 203
Omaha, NE 68114-2508
(402) 398-0062
FAX (402) 398-0065

Cornhusker Plaza
301 South 13th Street, Suite 401
Lincoln, NE 68508
(402) 441-4315
FAX (402) 441-4317

April 27, 1998


Mr. Harlan Best
Staff Analyst
South Dakota PUC
State Capitol
Pierre, SD 57501-5070

RECEIVED
APR 29 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Harlan:

Please find enclosed the a copy of the cost study, a study disk, and support data for Bridgewater-Canistota, Kennebec, and Western Telephone Companies. Included are the company financial statements, cost study adjustments, development of traffic factors and other factors input on sheet "G".

If you have any questions concerning this matter Please call on (402) 398-0062.


Wendel Aanerud
TELEC Consulting Resources, Inc.

Encl.

| | | | |
|----------|---|----------|----------|
| TC98-082 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Kennebec Telephone Company (Staff: HB/KC). Kennebec Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association. | 04/29/98 | 05/15/98 |
| TC98-083 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Western Telephone Company (Staff: BK/KC). Western Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association. | 04/29/98 | 05/15/98 |
| TC98-084 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Valley Telecom Cooperative Association and Valley Cable & Satellite Communications (Staff: TS/KC). Valley Telecom Cooperative Association and Valley Cable & Satellite Communications filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Valley Cable & Satellite Communications joined LECA on March 25, 1998. | 04/30/98 | 05/15/98 |
| TC98-085 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Midstate Telephone Company and Heartland Communications, Inc. (Staff: HB/KC). Midstate Telephone Company and Heartland Communications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Heartland Communications, Inc. joined LECA on March 23, 1998. | 04/30/98 | 05/15/98 |
| TC98-086 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Sarborn Telephone Cooperative and SANCOM, Inc. (Staff: BK/TS). Sarborn Telephone Cooperative and SANCOM, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). SANCOM, Inc. joined LECA on February 26, 1998. | 04/30/98 | 05/15/98 |
| TC98-087 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Venture Communications, Inc. (Staff: TS/KC). Venture Communications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Venture Communications, Inc. joined LECA on April 17, 1998. | 04/30/98 | 05/15/98 |
| TC98-088 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Hanson Communications, Inc. d/b/a McCook Telecom. (Staff: HB/KC). Hanson Communications, Inc. d/b/a McCook Telecom filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Hanson Communications, Inc. d/b/a McCook Telecom joined LECA on February 23, 1998. | 04/30/98 | 05/15/98 |
| TC98-089 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Splitrock Properties, Inc. (Staff: BK/KC). Splitrock Properties, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Splitrock Properties, Inc. joined LECA on March 26, 1998. | 04/30/98 | 05/15/98 |

PAGE 2 OF 3

| South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (605) 773-3705 Fax: (605) 773-3809 | | <h2 style="margin: 0;">TELECOMMUNICATIONS SERVICE FILINGS</h2> <p style="font-size: small; margin: 0;">These are the telecommunications service filings that the Commission has received for the period of:</p> <h1 style="margin: 0;">04/24/98 through 04/30/98</h1> <p style="font-size: x-small; margin: 0;">If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.</p> | |
|--|---|---|-----------------------|
| DOCKET NUMBER | TITLE/STAFF/SYNOPSIS | DATE FILED | INTERVENTION DEADLINE |
| REQUEST FOR CERTIFICATE OF AUTHORITY | | | |
| TC98-076 | Application by NXLD Company for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH). NXLD proposes to provide 24-hour intrastate interexchange telecommunications services to and from all points within the state. Subject to demand and overall economic circumstances, NXLD may subsequently offer additional services. | 04/27/98 | 05/15/98 |
| TC98-077 | Application by Elias Ventures, Inc. d/b/a American Freeway100 for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH). "American Freeway100 offers direct dialed (+) service, inbound toll-free number service, travel card and prepaid calling card services." | 04/27/98 | 05/15/98 |
| NONCOMPETITIVE TELECOMMUNICATIONS FILINGS | | | |
| TC98-078 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Intrastate Telephone Company. (Staff: HB/KC). Intrastate Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Intrastate Telephone Company joined LECA on March 3, 1998. | 04/27/98 | 05/15/98 |
| TC98-079 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Stalene Telecommunications, Inc. (Staff: BK/KC). Stalene Telecommunications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Stalene Telecommunications, Inc. joined LECA on April 17, 1998. | 04/27/98 | 05/15/98 |
| TC98-081 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Bridgewater-Canistota Independent Telephone Company. (Staff: TS/KC). Bridgewater-Canistota Independent Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Bridgewater-Canistota Independent Telephone Company joined LECA on April 7, 1998. | 04/29/98 | 05/15/98 |

PAGE 1 OF 3

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|-------------------------------|---|----------|----------|
| TC98-090 | In The Matter Of The Establishment Of Switched Access Rates For The Local Exchange Carrier Association (LECA) (Staff: HB/KC) On behalf of its member companies, LECA submitted revised tariff pages implementing the cost study revenue requirement that was filed by each member company. | 04/30/98 | 05/15/98 |
| TC98-091 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For James Valley Cooperative Telephone Company and Accent Communications, Inc. (Staff: TS/KC) James Valley Cooperative Telephone Company and Accent Communications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Accent Communications, Inc. joined LECA on March 10, 1998. | 04/30/98 | 05/15/98 |
| TC98-092 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Stockholm-Strandburg Telephone Co. (Staff: HB/KC) Stockholm-Strandburg Telephone Co. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association. | 04/30/98 | 05/15/98 |
| TC98-093 | In The Matter Of The Establishment Of Switched Access Revenue Requirement For Roberts County Telephone Cooperative Association and RC Communications, Inc. (Staff: BK/KC) Roberts County Telephone Cooperative Association and RC Communications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). RC Communications, Inc. joined LECA on April 14, 1998. | 04/30/98 | 05/15/98 |
| FORMAL COMPLAINT FILED | | | |
| TC98-080 | Don Hertz vs AT&T Communications of the Midwest, Inc. (Staff: LH/KC) To get Mr. Hertz back as a long distance customer AT&T promised a per minute rate of 10 cents and a \$50.00 check. The January bill from AT&T was not at the promised 10 cents per minute. AT&T informed Mr. Hertz to contact the "Resolution Office". Mr. Hertz has never heard from it. The February billing from AT&T was still not at the promised 10 cent per minute rate. Mr. Hertz is now with another carrier. Mr. Hertz requests that the Commission require AT&T to charge me the 10 cent a minute that they told me I would be paying if I switched back to AT&T. | 04/23/98 | NA |

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry.Norum at terryn@iuc.state.sd.us. Faxing the address to the Commission at: 605-773-3809.



South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

May 29, 1998

Karen E. Cremer
Commission Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501

RE: Docket TC98-081

Dear Ms. Cremer:

Please provide a copy of all data requests submitted by Commission Staff to any party or interested entity in Docket TC98-081 and any corresponding data responses remitted to Commission Staff to myself at the above address.

If you have any questions, please contact me.

Sincerely,

Dave Jacobson

cc: Ron Phillips

Capitol Office
Telephone (605)773-3201
FAX (605)773-3809

Transportation
Warehouse Division
Telephone (605)773-5280
FAX (605)773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-1113

Internet
bill@pub-utility.state.sd.us

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Jim Burg
Chairman
Pam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Martin C. Bettmann
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Sue Cuhos
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Marlette Fischbach
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Loren Hammond
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Lemi Healy
Cameron Hosenack
Dave Jacobson
Bob Kneidel
Delaine Kolbo
Jeffrey P. Lorenson
Terry Norum
Gregory A. Ralov
Tamara Staagohr
Steven M. Wegman
Kelayne Ailsa West

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE ESTABLISHMENT) ORDER ASSESSING FILING
OF SWITCHED ACCESS REVENUE) FEE
REQUIREMENT FOR BRIDGEWATER-) TC98-081
CANISTOTA INDEPENDENT TELEPHONE)
COMPANY)

On April 29, 1998, Bridgewater-Canistota Independent Telephone Company (Bridgewater-Canistota) filed for approval by the Public Utilities Commission (Commission) its 1997 Intrastate Switched Access Cost Study.

On April 30, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of May 15, 1998, to interested individuals and entities.

SDCL 49-31-12.6 authorizes the Commission to require a deposit of up to one hundred thousand dollars (\$100,000) in the South Dakota Public Utilities Commission's (SDPUC) regulatory assessment fee fund to defray Commission expenses incident to analyzing and ruling upon this type of filing.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-1A-9, 49-31-12.6, 49-31-18, 49-31-19 and ARSD 20.10.01.15.02, 20.10.01.15.05, 20.10.27.07 and 20.10.27.08.

On May 23, 1998, at its regularly scheduled meeting, the Commission, pursuant to SDCL 49-31-12.6, unanimously voted to assess Bridgewater-Canistota a \$3,000 filing fee, subject to additional amounts as requested by the Executive Director up to the statutory limit of \$100,000. It is therefore

ORDERED that Bridgewater-Canistota shall deposit an initial assessment of \$3,000 in the SDPUC regulatory assessment fee fund and shall deposit any additional amounts as requested by the Executive Director up to the statutory limit of \$100,000.

Dated at Pierre, South Dakota, this 11th day of June, 1998.

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|--|-----------------------------|
| CERTIFICATE OF SERVICE | |
| The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon. | |
| By | <u><i>William Kieck</i></u> |
| Date | <u>6/12/98</u> |
| (OFFICIAL SEAL) | |

BY ORDER OF THE COMMISSION

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

MEMORANDUM TO COMMISSIONERS BURG, NELSON AND SCHOENFELDER

FROM: Greg Rislav

RE: Bridgewater-Canistota Independent Telephone Company TC98-081

Date: November 19, 1998

Bridgewater-Canistota Independent Telephone Company (Bridgewater-Canistota) filed an Intrastate Switched Access Cost Study pursuant to the administrative rules on April 29, 1998, based on the twelve months ended December 31, 1997. The cost study submitted by Bridgewater-Canistota developed a revenue requirement of \$170,677. Bridgewater-Canistota's minutes of use for 1997 was 1,955,098. Bridgewater-Canistota purchased the Bridgewater and Canistota exchanges of U S WEST on June 22, 1996. Bridgewater-Canistota is a member of the Local Exchange Carrier Association (LECA). As a member of LECA, Bridgewater-Canistota's revenue requirement and minutes of use are part of the total revenue requirement and total minutes of use used in the determination of the Carrier Common Line, Local Switching, and Common Transport elements for LECA.

On April 30, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of May 15, 1998, to interested individuals and entities. No interventions were received by the Commission.

On June 11, 1998, the Commission ordered Bridgewater-Canistota to deposit an initial assessment of \$3,000 in the SDPUC regulatory fee fund and to deposit any additional amounts as required by the executive director.

Staff data requests were responded to by Bridgewater-Canistota in a timely manner and all information was submitted under oath. Staff conducted an on-site visit to the headquarters of Bridgewater-Canistota on September 17, 1998. Staff reviewed auditor reports, supporting documentation for adjustments that were proposed in the cost study, test year general ledger, depreciation rates, continuing property records, and minutes of use records.

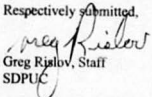
Staff has reviewed Bridgewater-Canistota's cost study filing and all of the data responses submitted by the company and would recommend that the cost study submitted by Bridgewater-Canistota be adjusted by the following:

1. The \$100 amount related to the Telecommunications Relay Service on Sheet V, Line 210 should be directly assigned to interstate on Sheet V, Line 211.
2. The \$85 amount related to the FCC regulatory fee on Sheet V, Line 232 should be directly assigned to interstate on Sheet V, Line 233.
3. Correct the Subscriber Minutes (SLU). The company inadvertently did not include AT&T intrastate Intralata minutes. This change affects the subscriber plant factor, dial equipment

minutes, conversation minute-miles, conversation minutes, and subscriber minutes allocation factors found on Sheet G of the cost study.

If the above-mentioned items are incorporated in the cost study, the revenue requirement is increased by \$811 to \$171,488. Bridgewater-Canistota has agreed to Staff's recommendations.

Respectively submitted,



Greg Rjalov, Staff

SDPUC

cc: Ron Phillips, TELEC Consulting Resources, Inc.
Bill Haugen II, Manager Bridgewater-Canistota

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE ESTABLISHMENT) ORDER APPROVING
OF SWITCHED ACCESS REVENUE) REVENUE REQUIREMENT
REQUIREMENT FOR BRIDGEWATER-)
CANISTOTA INDEPENDENT TELEPHONE)
COMPANY) TC98-081

On April 29, 1998, Bridgewater-Canistota Independent Telephone Company (Bridgewater-Canistota) filed for approval by the Public Utilities Commission (Commission) its 1997 Intrastate Switched Access Cost Study.

On April 30, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of May 15, 1998, to interested individuals and entities. On May 28, 1998, the Commission voted to assess a \$3,000 filing fee. Staff filed a memorandum on November 19, 1998, with the concurrence of the company, setting forth a recommended revenue requirement and minutes of use. The Commission considered this matter at its November 25, 1998, meeting.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-1A-9, 49-31-12.4, 49-31-12.6, 49-31-18, 49-31-19 and ARSD 20:10:01.15.02, 20:10:01.15.05, 20:10:27.07 and 20:10:27.08. Upon review of Bridgewater-Canistota's filing, the Commission found that the revenue requirement and minutes of use as depicted in Staff's memorandum was fair and reasonable and should be approved. As the Commission's final decision in this matter, it is therefore

ORDERED that Bridgewater-Canistota's revenue requirement and minutes of use are hereby approved as revised and shall be incorporated in the Local Exchange Carriers Association's determination of switched access rates. (See TC98-090.)

Dated at Pierre, South Dakota, this 4th day of December, 1998.

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| CERTIFICATE OF SERVICE | |
| The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon. | |
| By: | <u>William Kalbo</u> |
| Date: | <u>12/8/98</u> |
| (OFFICIAL SEAL) | |

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner